THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. If you are in any doubt about the contents of this document you should consult your stockbroker, bank manager, solicitor, accountant or other independent professional adviser authorised for the purposes of the Financial Services and Markets Act 2000 ("FSMA") who specialises in advising on the acquisition of shares and other securities. If you have sold or transferred all your Ordinary Shares in the Company, you should send this document, together with the accompanying Form of Proxy, to the purchaser or transferee or to the stockbroker, bank or other agent through whom the sale or transfer was effected, for transmission to the purchaser or transferee.

This document comprises an admission document prepared in accordance with the AIM Rules and has been issued in connection with the proposed admission of the Enlarged Issued Share Capital of the Company to trading on AIM. This document is not an approved prospectus for the purposes of section 85 of FSMA, has not been prepared in accordance with the Prospectus Rules published by the Financial Services Authority ("FSA") and a copy of it has not been, and will not be, delivered to the UK Listing Authority in accordance with the Prospectus Rules or delivered to or approved by any other authority which could be a competent authority for the purposes of the Prospectus Directive.

The Company, the Directors and the Proposed Directors whose names appear on page 8 of this document accept responsibility, both individually and collectively, for the information contained in this document. To the best of the knowledge and belief of the Directors and the Proposed Directors (who have taken reasonable care to ensure that such is the case), the information contained in this document for which they are responsible is in accordance with the facts and there are no other facts the omission of which is likely to affect the import of such information. All of the Directors and Proposed Directors accept individual and collective responsibility for compliance with the AIM Rules. The Directors accept sole responsibility for the recommendations set out in paragraph 32 of the Chairman's letter set out in Part I of this document.

The Existing Ordinary Shares are admitted to trading on AIM. Application will be made to the London Stock Exchange for the Enlarged Issued Share Capital to be admitted to trading on AIM. The Existing Ordinary Shares are not dealt on any other recognised investment exchange and it is emphasised that no application has been, or is being, made for the Enlarged Issued Share Capital to be admitted to any such exchange. It is expected that Admission will become effective and that dealings in the Enlarged Issued Share Capital will commence on AIM on 29 June 2010.

The rules of AIM are less demanding than those of the Official List. AIM is a market designed primarily for emerging or smaller companies to which a higher investment risk tends to be attached than to larger or more established companies. AIM securities are not admitted to the Official List. A prospective investor should be aware of the risks of investing in such companies and should make the decision to invest only after careful consideration and, if appropriate, consultation with an independent financial adviser. Each AIM company is required pursuant to the AIM Rules to have a nominated adviser. The nominated adviser is required to make a declaration to the London Stock Exchange on Admission in the form set out in Schedule Two to the AIM Rules for Nominated Advisers. The London Stock Exchange has not itself examined or approved the contents of this document.

The whole of this document should be read and in particular your attention is drawn to the letter from the Chairman which is set out in Part I of this document and which contains a unanimous recommendation from the Directors that you vote in favour of the Resolutions. You should be aware that an investment in the Company involves a high degree of risk. The attention of the prospective investors is also drawn in particular to Part III of this document which sets out certain risk factors relating to any investment in Ordinary Shares. All statements regarding the Group's business, financial position and prospects should be viewed in light of these risk factors.

Oxeco Plc

To be renamed

Tissue Regenix Group Plc

(Incorporated and registered in England and Wales with registered number 5969271)

Proposed acquisition of Tissue Regenix Limited

Proposed 1 for 5 Share Consolidation

Proposed placing of 106,712,800 New Ordinary Shares at 5 pence per share

Adoption of New Articles of Association

Application for Admission to AIM

and

Notice of General Meeting

Nominated Adviser	*Broker*
ZAI Corporate Finance Ltd	**ZAI Corporate Finance Ltd**

The Placing Shares and the Consideration Shares will, following allotment, rank *pari passu* in all respects with the Existing Ordinary Shares including the right to receive all dividends and other distributions declared, made or paid on the New Ordinary Shares after Admission.

This document does not constitute an offer to sell, or a solicitation or offer to buy or subscribe for Ordinary Shares. This document is not for distribution in the Prohibited Territories. The Ordinary Shares and the New Ordinary Shares have not been and will not be registered under the United States Securities Act of 1933 (as amended) or under the securities legislation of the Prohibited Territories or in any country, territory or possession where to do so would convene local securities laws or regulations and the New Ordinary Shares may not be offered or sold

directly or indirectly within the United States, Canada, Australia, the Republic of Ireland, the Republic of South Africa or Japan or to, or for the account of benefit of, any person within the United States, Canada, Australia, the Republic of Ireland, the Republic of South Africa or Japan. The distribution of this document in jurisdictions other than the United Kingdom may be restricted by law and therefore any person into whose possession this document comes should inform themselves about and observe any such restrictions. Any failure to comply with these restrictions may constitute a violation of the securities laws in any such jurisdictions.

ZAI Corporate Finance Ltd, which is authorised and regulated in the United Kingdom by the FSA, is acting as nominated adviser to the Company in connection with the arrangements described in this document and will not be providing advice to any other person in relation to the Placing or Admission or any other transaction or arrangement referred to in this document. Its responsibilities as the Company's nominated adviser under the AIM Rules for Nominated Advisers are owed solely to London Stock Exchange and are not under the AIM Rules for Nominated Advisers owed to the Company or to any Director or Proposed Director or to any other person in respect of his or her decision to acquire New Ordinary Shares in reliance on any part of this document. No representation or warranty, express or implied, is made by ZAI Corporate Finance Ltd as to any of the contents of this document (without limiting the statutory rights of any person to whom this document is issued). ZAI Corporate Finance Ltd will not be offering advice and will not otherwise be responsible to anyone other than the Company for providing the protections afforded to customers of ZAI Corporate Finance Ltd or for providing advice in relation to the contents of this document or any other matter. No liability is accepted by ZAI Corporate Finance Ltd for the accuracy of any information or opinions contained in, or for the omission of any material information from, this document, for which the Company, the Directors and the Proposed Directors are solely responsible.

A notice convening a General Meeting of the Company to be held at the offices of Fasken Martineau LLP at 17 Hanover Square, London W1S 1HU on 28 June 2010 at 10.00 a.m. is set out at the end of this document. The Form of Proxy for use at the meeting is enclosed with this document and should be returned as soon as possible and, in any event, to arrive at the offices of the Company's Registrars, Capita Registrars, PXS 34 Beckenham Road, Beckenham, Kent BR3 4TU not later than 26 June 2010 at 10.00 a.m., being 48 hours before the time for holding the General Meeting. The completion and depositing of a Form of Proxy will not preclude Shareholders from attending, speaking at and/or voting in person at the General Meeting should they wish to do so.

This document will also be available for download from the Company's website www.oxecoplc.com. Following completion of the Proposals, this document will also be available from the Enlarged Group's website www.tissueregenix.com.

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ADMISSION STATISTICS

Number of Existing Ordinary Shares	600,000,000
(post Share Consolidation)	120,000,000
Number of Consideration Shares proposed to be issued	240,000,000
Number of Placing Shares proposed to be issued*	106,712,800
Placing Price	5 pence
Enlarged Issued Share Capital	466,712,800
Gross proceeds of the Placing*	£4.5 million
Net proceeds of the Placing available to the Company*	£4.03 million
Market capitalisation of the Company immediately following Admission	£23.3 million
International Security Identification Number (ISIN)	GB00B5SGVL29
TIDM Symbol	TRX

	Percentage of Enlarged Issued Share Capital %	*Percentage of fully diluted Enlarged Issued Share Capital* %
Percentage of Enlarged Issued Share Capital and fully diluted Enlarged Issued Share Capital represented by:		
Existing Ordinary Shares	25.71	24.93
Consideration Shares	51.42	49.86
Placing Shares	22.86	22.17

* Includes 16,712,800 Placing Shares proposed to be issued to the Tissue Regenix Group Plc Employee Benefit Trust in respect of which the £835,640 of subscription monies will be loaned to the EBT by the Company and which monies are therefore excluded from the proceeds of the Placing.

EXPECTED TIMETABLE OF PRINCIPAL EVENTS

Event	
Publication date of the Admission Document	3 June 2010
Latest time and date for receipt of Forms of Proxy in respect of the General Meeting	10.00 a.m. on 26 June 2010
Record Date for Consolidation	6.00 p.m. on 28 June 2010
General Meeting	10.00 a.m on 28 June 2010
Completion of the Acquisition, Admission and dealings in the Enlarged Issued Share Capital expected to commence on AIM	29 June 2010
Expected crediting of CREST accounts (where applicable) by	29 June 2010
Expected despatch of definitive share certificates (where applicable) by	6 July 2010

FORWARD-LOOKING STATEMENTS

All statements, other than statements of historical facts, included in this document, including, without limitation, those regarding the Company's or Enlarged Group's financial position, business strategy, plans and objectives of management for future operations or statements relating to expectations in relation to dividends or any statements preceded by, followed by or that include the words "targets", "believes", "expects", "aims", "intends", "plans", "will", "may", "anticipates", "would", "could" or similar expressions or the negative thereof, are forward-looking statements. Such forward-looking statements involve known and unknown risks, uncertainties and other important factors beyond the Company's or Enlarged Group's control that could cause the actual results, performance, achievements of or dividends paid by the Company to be materially different from actual results, performance or achievements, or dividend payments expressed or implied by such forward-looking statements. Such forward-looking statements are based on numerous assumptions regarding the Enlarged Group's net asset value, present and future business strategies and income flows and the environment in which the Enlarged Group will operate in the future.

These forward-looking statements speak only as of the date of this document. The Company expressly disclaims any obligation or undertaking to disseminate any updates or revisions to any forward-looking statements contained herein to reflect any change in the Company's expectations with regard thereto, any new information or any change in events, conditions or circumstances on which any such statements are based, unless required to do so by law or any appropriate regulatory authority.

DIRECTORS, PROPOSED DIRECTORS, SECRETARY AND ADVISERS

Directors	Michael Anthony Bretherton *(Executive Chairman)* Gordon James Hall *(Non-Executive Director)* Professor William Graham Richards *(Non-Executive Director)* *all of:*
Registered Office	17 Hanover Square London W1S 1HU
Proposed Directors	John Andrew Walter Samuel *(Proposed Executive Chairman)* Antony Ruben Odell *(Proposed Managing Director)* Alan Jonathan Richard Miller *(Proposed Non-Executive Director)* Alexander James Stevenson *(Proposed Non-Executive Director)* Alan John Aubrey *(Proposed Non-Executive Director)*
Proposed Registered Office following Admission	The Biocentre Innovation Way Heslington York North Yorkshire YO10 5NY
Secretary following Admission	Michael Anthony Bretherton
Continuing Board	John Andrew Walter Samuel *(Executive Chairman)* Antony Ruben Odell *(Managing Director)* Michael Anthony Bretherton *(Finance Director)* Alan Jonathan Richard Miller *(Non-Executive Director)* Alexander James Stevenson *(Non-Executive Director)* Alan John Aubrey *(Non-Executive Director)*
Nominated Adviser and Broker	ZAI Corporate Finance Limited 12 Camomile Street London EC3A 7PT
Auditors to the Company	Baker Tilly UK Audit LLP 2 Bloomsbury Street London WC1B 3ST
Auditors to Tissue Regenix	Baker Tilly UK Audit LLP 2 Whitehall Quay Leeds LS1 4HQ
Reporting Accountants on Tissue Regenix	Baker Tilly Corporate Finance LLP 2 Bloomsbury Street London WC1B 3ST
Solicitors to the Company	Fasken Martineau LLP 17 Hanover Square London W1S 1HU

Solicitors to Tissue Regenix Limited	DLA Piper UK LLP Princes Exchange Princes Square Leeds LS1 4BY
Solicitors to the Nominated Adviser and Broker	Dickinson Dees LLP St. Ann's Wharf 112 Quayside Newcastle upon Tyne NE1 3DX
Registrars	Capita Registrars Northern House Woodsome Park Fenay Bridge Huddersfield HD8 0LA
Website as at the date of this document	www.oxecoplc.com
Website as at the date of Admission	www.tissueregenix.com
Telephone No. following Admission	+44 (0) 1904 567609

DEFINITIONS

The following definitions apply throughout this document, unless the context requires otherwise:

"**Acquisition**"	the proposed acquisition by the Company of the entire issued share capital of Tissue Regenix pursuant to the Acquisition Agreement
"**Acquisition Agreement**"	the conditional agreement dated 3 June 2010 between the Company and the Vendors relating to the Acquisition, further details of which are set out in paragraph 12 of Part VII of this document
"**Admission**"	the admission of the Enlarged Issued Share Capital to trading on AIM becoming effective in accordance with Rule 6 of the AIM Rules for Companies
"**AIM**"	the market of that name operated by London Stock Exchange
"**AIM Rules**"	the rules published by London Stock Exchange governing the admission to, and operation of, AIM from time to time and including the AIM Rules for Companies and the AIM Rules for Nominated Advisers
"**Articles**"	the current articles of association of the Company as at the date of this document
"**BBSRC**"	the Biotechnology and Biological Sciences Research Council
"**CA 1985**"	the Companies Act 1985
"**CA 2006**"	the Companies Act 2006
"**Capita**"	a trading name of Capita Registrars Limited
"**Code**" or "**City Code**"	the City Code on Takeovers and Mergers published from time to time by the Panel
"**Combined Code**"	the Combined Code on Corporate Governance published in June 2008 by the Financial Reporting Council, as amended from time to time
"**Company**" or "**Oxeco**"	Oxeco Plc, a company incorporated and registered in England and Wales with registered number 5969271
"**Completion**"	completion of the Acquisition Agreement in accordance with its terms
"**Concert Party**"	for the purpose of the Code, ORA Guernsey, Richard Griffiths, Michael Bretherton, Annabel Ede-Golightly, James Ede-Golightly, Beatrice Hollond, Robert Quested, Nikki Cooper and William Orgee, further details of which are set out in Part IV of this document
"**Consideration Shares**"	the 240,000,000 New Ordinary Shares to be issued to the Vendors on Completion in accordance with the terms of the Acquisition Agreement
"**Continuing Board**"	the board of the Company immediately after Admission, comprising Michael Bretherton and the Proposed Directors
"**Covenantors**"	Professor John Fisher, Professor Eileen Ingham, John Samuel, IP2IPO Nominees Limited, Techtran, IP Venture Fund, The

	Northern Entrepreneurs Fund LLP, and The Northern Entrepreneurs Fund Co-Investment LLP
“**CREST**”	the relevant system (as defined in the CREST Regulations) for paperless settlement of share transfers and the holding of shares in uncertificated form which is administered and operated by Euroclear
“**CREST Regulations**”	the Uncertificated Securities Regulations 2001 (SI 2001 No. 3755), as amended, and any applicable rules made under these regulations
“**dCELL® Technology**”	the proprietary dCELL® process technology, comprised within the Licensed Patents, the Owned Patents and the Know How
“**dCELL® Vascular Patch**”	the decellularised vascular patch which can be used in peripheral vascular applications and which has been developed by Tissue Regenix using the dCELL® Technology
“**Directors**” or “**Board**”	the directors of the Company as at the date of this document, whose names are set out on page 8 of this document
“**EBT**”	the Tissue Regenix Group Plc Employee Benefit Trust
“**EMI Scheme**”	the Tissue Regenix Group Plc Enterprise Management Incentive Scheme, proposed to be adopted by the Company, as more particularly described in paragraph 11 of Part VII of this document
“**Enlarged Group**”	the Company and its subsidiary undertakings immediately following Admission, being Oxray and Tissue Regenix
“**Enlarged Issued Share Capital**”	the New Ordinary Shares in issue immediately following Admission, comprising the Existing Ordinary Shares (as consolidated by the Share Consolidation), the Consideration Shares and the Placing Shares
“**EPSRC**”	the Engineering and Physical Sciences Research Council
“**EU**”	the European Union
“**Euroclear**”	Euroclear UK and Ireland Limited, the operator of CREST
“**Existing Ordinary Shares**”	the 600,000,000 Ordinary Shares in issue at the date of this document
“**FDA**”	the US Food and Drug Administration
“**Form of Proxy**”	the form of proxy enclosed with this document for use by holders of Existing Ordinary Shares at the GM
“**FSA**”	the Financial Services Authority
“**FSMA**”	the Financial Services and Markets Act 2000, as amended
“**Founders**”	together, Professor Eileen Ingham and Professor John Fisher
“**General Meeting** or “**GM**”	the general meeting of the Company to be held on 28 June 2010, notice of which is set out at the end of this document, and any adjournment thereof
“**Head Licence**”	the exclusive licence agreement between the University of Leeds and ULIP dated 21 December 2006

"**IFRS**"	International Financial Reporting Standards as adopted by the EU
"**IMBE**"	the Institute of Medical and Biological Engineering at the University of Leeds
"**Intellectual Property Rights**"	means all intellectual property, including (without limitation) patents, trade marks, service marks, trade or business names, goodwill, domain names, database rights, rights in designs, copyrights and topography rights (whether or not any of these rights are registered, and including applications and the right to apply for registration of any such rights) and all inventions, know-how, trade secrets and confidential information, customer and supplier lists and other proprietary knowledge and information and all rights under licences and consents in relation to any such rights and all rights and forms of protection of a similar nature or having equivalent or similar effect to any of these which may subsist anywhere in the world for their full term, including renewals and extensions
"**IP Group**"	IP Group plc, a company incorporated in England and Wales with registered number 04204490
"**IPR Licence**"	the exclusive licence agreement between ULIP and Tissue Regenix dated 20 December 2006, further details of which are set out in paragraph 12 of Part VII of this document
"**ISO**"	International Standards Organisation
"**Joint Owned Share Scheme**" or "**JOSS**"	the Tissue Regenix Group Plc Joint Owned Share Scheme, proposed to be adopted by the Company more particularly described in paragraph 11 of Part VII of this document
"**Know-How**"	all unpublished information and know-how relating to the dCELL® Technology contained with the standard operating procedures of Tissue Regenix
"**Licensed Patents**"	means the patents and patent application licensed from ULIP under the IPR Licence, as detailed in paragraphs 1, 2 and 3 of Part II of this document
"**Lock-In Agreement**"	the agreement dated 3 June 2010, entered into between the Company (1), ZAICF (2), the Warrantors (3) and Antony Odell and Michael Bretherton (4), further details of which are set out in paragraph 12 of Part VII of this document
"**London Stock Exchange**"	London Stock Exchange plc
"**New Articles**"	the new articles of association of the Company proposed to be adopted at the GM and a draft of which is available for inspection as referred to in paragraph 5 of Part VII of this document
"**New Options**"	options to subscribe for New Ordinary Shares to be granted by the Company, as at Admission, under the EMI Scheme and the Unapproved Option Scheme, further details of which are set out in paragraph 11 of Part VII of this document
"**New Ordinary Shares**"	ordinary shares of 0.5 pence each in the capital of the Company arising on the Share Consolidation
"**Notice of GM**"	the notice of General Meeting set out at the end of this document

"**not in Public Hands**"	the New Ordinary Shares held, directly or indirectly (including via a related financial product) by: (i) a related party (as defined in the AIM Rules for Companies); (ii) the trustees of any employee share scheme or pension fund established for the benefit of any directors/employees of the Company (or the Subsidiaries); (iii) any person who under any agreement has a right to nominate a person to the Board; (iv) any person who is the subject of a lock in agreement pursuant to rule 7 of the AIM Rules for Companies; and (v) the Company as treasury shares
"**Official List**"	the official list of the UK Listing Authority
"**ORA**"	ORA Capital Partners Limited, a company incorporated in Guernsey under company number 49907
"**ORA Capital**"	ORA Capital Limited (formerly ORA Capital Partners Plc), a company incorporated in England & Wales under company number 05614046 and a wholly subsidiary of ORA
"**ORA Group**"	ORA, ORA Capital, ORA Guernsey and the other subsidiaries of ORA
"**ORA Guernsey**"	ORA (Guernsey) Limited, a company incorporated in Guernsey under number 49949 and a wholly owned subsidiary of ORA
"**Ordinary Shares**"	prior to the Share Consolidation, ordinary shares of 0.1 pence each in the capital of the Company
"**Owned Patents**"	means the patents and patent applications owned by Tissue Regenix, as detailed in paragraph 4 of Part II of this document
"**Oxray**"	Oxray Limited (company number 05921208), an 85 per cent. owned subsidiary of Oxeco
"**Oxeco Group**"	Oxeco and Oxray
"**Panel**"	the Panel on Takeovers and Mergers
"**Patent Assignment**"	the assignment dated 28 May 2010 of certain patents to Tissue Regenix by the University of Leeds and the University of York, further details of which are set out in paragraph 12 of Part VII of this document
"**Placing Agreement**"	the conditional agreement dated 3 June 2010 between the Company, the Directors, the Proposed Directors and ZAICF relating to Admission, further details of which are set out in paragraph 12 of Part VII of this document
"**Placing Price**"	5 pence per New Ordinary Share
"**Placing Shares**"	106,712,800 New Ordinary Shares to be issued by the Company pursuant to the Placing
"**Prohibited Territories**"	United States, Australia, Canada, Japan, the Republic of Ireland, the Republic of South Africa and their respective territories and possessions and any other territories where the publication of this document would be prohibited by law

"**Proposals**"	the Acquisition, the Placing, the change of the Company's name to Tissue Regenix Group plc, the approval of the Share Schemes, the Share Consolidation, the adoption of the New Articles and Admission
"**Proposed Directors**"	the proposed new directors of the Company with effect from Admission, being Antony Odell, John Samuel, Alexander Stevenson, Alan Aubrey and Alan Miller
"**Prospectus Directive**"	directive 2003/71/EC, as amended
"**Prospectus Rules**"	the prospectus rules published by the Financial Services Authority from time to time for the purposes of Part VI of FSMA in relation to offers of securities to the public and admission of securities to trading on a regulated exchange
"**QCA Guidelines**"	corporate governance guidelines for AIM companies issued by the Quoted Companies Alliance
"**Record Date**"	6.00 p.m. on 28 June 2010, being the date of the GM
"**Replacement Options**"	options to subscribe for New Ordinary Shares to be granted by the Company on Admission under the EMI Scheme and the Unapproved Option Scheme to replace the Tissue Regenix Options, further details of which are set out in paragraph 11 of Part VII of this document
"**Resolutions**"	the resolutions to be proposed at the GM and as set out in the Notice of GM
"**Restated Relationship Agreement**"	the restated and amended relationship agreement dated 3 June 2010 and entered into between ORA Capital (1), ORA (2) and the Company (3), further details of which are set out in paragraph 12 of Part VII of this document
"**Shareholder**"	a holder of Ordinary Shares
"**Share Consolidation**"	the proposed consolidation of the Ordinary Shares, further details of which are set out in paragraph 20 of Part I of this document
"**Share Schemes**"	the EMI Scheme, the Unapproved Option Scheme and the Joint Owned Share Scheme
"**Technology Transfer Framework Agreement**"	the Provision for Technology Transfer Services Agreement between the University of Leeds (1), Techtran (2) and IP Group (3) dated 15 July 2005
"**Techtran**"	Techtran Group Limited (company number 04544376), a wholly owned subsidiary of IP Group
"**Tissue Regenix**"	Tissue Regenix Limited, a company incorporated in England and Wales with registered number 05807272
"**Tissue Regenix Options**"	the existing options to subscribe for Tissue Regenix Shares, details of which are set out in paragraph 11 of Part VII of this document
"**Tissue Regenix Shares**"	means ordinary shares of 1 pence each in the share capital of Tissue Regenix
"**Tissue Regenix Share Capital**"	means the entire issued share capital of Tissue Regenix

"**UK**" or "**United Kingdom**"	United Kingdom of Great Britain and Northern Ireland
"**UK Listing Authority**"	the Financial Services Authority acting in its capacity as a competent authority for the purposes of Part VI of FSMA
"**ULIP**"	University of Leeds IP Limited (company number 04582496), a wholly owned subsidiary of the University of Leeds
"**Unapproved Option Scheme**"	the Tissue Regenix Group Plc Unapproved Option Scheme proposed to be adopted by the Company, more particularly described in paragraph 11 of Part VII of this document
"**United States**" or "**US**"	the United States of America, its territories and possessions, any state of the United States and the District of Columbia
"**Vendors**"	together, Joanne Ingram, the University of Leeds, Richard Knight, Helen Berry, Sotirios Korossis, Stacy-Paul Wilshaw, Simon Graindorge, Techtran, Professor John Fisher, Catherine Booth, Thomas Stapleton, Angela Leach, Alison Fielding, Magnus Goodlad, Elizabeth Vaughan-Adams, Andrew Mackie, Stuart Thompson, David Norwood, Michael Townend, Charles Winward, Professor Eileen Ingham, IP Venture Fund, Alan Miller, ORA Guernsey, The Northern Entrepreneurs Fund LLP, The Northern Entrepreneurs Fund Co-Investment LLP, IP2IPO Nominees Limited and John Samuel
"**Warrantors**"	those persons giving warranties to Oxeco under the Acquisition Agreement, being the University of Leeds, Techtran, Professor John Fisher, Professor Eileen Ingham, IP Venture Fund, Alan Miller, ORA Guernsey, The Northern Entrepreneurs Fund LLP, The Northern Entrepreneurs Fund Co-Investment LLP, IP2IPO Nominees Limited and John Samuel
"**ZAICF**"	ZAI Corporate Finance Ltd, nominated adviser and broker to the Company

In this document, all references to times and dates are in reference to those observed in London, United Kingdom.

In this document the symbols "£" and "p" refer to pounds sterling and pence sterling respectively and the symbol "$" refers to United States dollars.

GLOSSARY

"**acellular**"	non-cellular, meaning not made up of or divided into cells
"**anionic detergent**"	a class of detergents having a negatively charged surface
"**autologous**"	where donor and recipient are the same individual
"**biocompatible**"	compatible with biological tissue
"**biomechanics**"	the application of mechanical principles to living organisms
"**bovine**"	derived from a cow
"**BSE**"	Bovine Spongiform Encephalophaly, a neurological disease commonly known as mad cow disease
"**carotid**"	of or relating to either of the two major arteries supplying blood to the head and neck
"**CE Mark**"	authorisation by a European regulatory authority for a medical device to be placed on the market
"**clinical trial**"	an investigation into human subjects intended to discover or verify the safety and efficacy of a therapy
"**decellularisation**" or "**tissue decellularisation**"	the removal of cells or cellular material from tissue
"**meniscus**"	cartilage tissue which acts like shock absorbers in the knee joint
"**porcine**"	derived from a pig
"**quality systems**"	organisational structure defined responsibilities, procedures, processes and resources for implementing quality management including all activities which contribute to quality, directly or indirectly
"**Regenerative Medicine**"	the replacement or regeneration of human cells, tissues or organs to restore or establish normal functions
"**scaffold**"	a support, delivery, vehicle or matrix for facilitating the migration, binding or transport of cells or bioactive agents
"**synthetic medical product**"	a non-biological medical product
"**therapy**"	treatment intended to heal or relieve a disorder
"**tissue**"	aggregation of specialised cells united in the performance of a particular set of functions
"**vascular**"	related to blood vessels

PART I

LETTER FROM THE CHAIRMAN OF OXECO PLC

Oxeco Plc

(Incorporated and registered in England and Wales under the Companies Act 1985 with registered number 5969271)

Directors	*Registered Office*
Michael Anthony Bretherton *(Executive Chairman)*	17 Hanover Square
Gordon James Hall *(Non-Executive Director)*	London
William Graham Richards *(Non-Executive Director)*	W1S 1HU

3 June 2010

Dear Shareholder,

Proposed acquisition of Tissue Regenix Limited
Proposed 1 for 5 Share Consolidation
Proposed placing of 106,712,800 New Ordinary Shares at 5 pence per share
Proposed change of name to Tissue Regenix Group Plc
Adoption of New Articles of Association
Application for Admission to AIM
and
Notice of General Meeting

1. INTRODUCTION

The Company has today announced that terms have been agreed for the conditional acquisition of Tissue Regenix, a company engaged in the production of biocompatible regenerative tissue implants using its proprietary platform dCELL® Technology. The aggregate consideration for the Acquisition is £12 million to be satisfied by the allotment of 240,000,000 New Ordinary Shares to be issued and credited as fully paid at 5 pence per New Ordinary Share.

Tissue Regenix was incorporated in May 2006 to commercialise the academic research of Professor Eileen Ingham and Professor John Fisher of the University of Leeds in the field of tissue decellularisation. Its dCELL® Technology comprises a patented process which removes cells and other components from human and animal tissue allowing it to be used without anti-rejection drugs to replace worn out or diseased body parts.

The Company has also today announced that it has conditionally raised £4.5 million (before expenses) by way of the Placing. The funds from the Placing will be used to meet the costs of the Proposals and to provide additional working capital for the Enlarged Group.

In view of the size of Tissue Regenix in relation to Oxeco, the Acquisition is classified as a reverse takeover under the AIM Rules and is therefore conditional, *inter alia*, on the approval of Shareholders in general meeting. Such approval is being sought at the General Meeting, notice of which is set out at the end of this document.

Immediately following Admission, the Consideration Shares will comprise approximately 51.42 per cent. of the Enlarged Issued Share Capital.

The purpose of this document is to: (i) provide you with the background to and to set out the reasons for, and details of, the Proposals; (ii) explain why the Directors consider the Proposals are in the best interests of the Company and its Shareholders as a whole; and (iii) seek Shareholder approval for the Proposals. This document also contains the Directors' recommendation that you vote in favour of the Resolutions to be proposed at the GM, notice of which is set out at the end of this document.

This document comprises an Admission Document in respect of the Enlarged Group prepared in accordance with the AIM Rules.

2. BACKGROUND TO AND REASONS FOR THE PROPOSALS

Oxeco was admitted to AIM in December 2006. At the same time, the Company outlined a strategy of investing in, or acquiring assets, businesses or companies in the technology and science sectors.

On 6 June 2007, the Company completed its acquisition of the entire issued share capital of Oxray, a start up business which had the objective of becoming a provider of molecular structure determination services to both industry and academic institutions. Oxray pursued this objective by developing novel X-ray crystallography structure determination software but, notwithstanding substantial completion of such development, was unable to establish a solid customer base nor had it been able to develop its product service offering by bolt-on acquisitions in the same field as had been envisaged at the time of its acquisition. Further, the Directors were not able to secure a commercial exit from Oxray and thus concluded (as announced on 23 July 2009) to cease any further investment in Oxray. Oxray has since been a dormant subsidiary retaining control of its underlying Intellectual Property Rights and the Company has completed the transfer of an equity stake of 15 per cent. in Oxray to Oxray's former Commercial Manager, Richard Cooper, as an incentive to help potentially realise some future value from such Intellectual Property Rights.

In the announcement relating to Oxray on 23 July 2009, the Company confirmed that it would continue with its outline strategy of seeking investments in the general science and technology sector. In line with such strategy, the Directors have indentified Tissue Regenix as a suitable acquisition for the Company and believe that its platform technology, the dCELL® Technology, has the potential to significantly increase Shareholder value.

3. INFORMATION ON TISSUE REGENIX

Tissue Regenix was incorporated in May 2006 to commercialise the academic research of Professor Eileen Ingham and Professor John Fisher of the University of Leeds in the field of tissue decellularisation. The Founders commenced their work on the core process comprised within the dCELL® Technology approximately 6 years prior to Tissue Regenix's incorporation and the ensuing discoveries were the result of the combination of their respective expertise in the biology and engineering disciplines, together with their collaboration with leading physicians in the UK and Brazil.

The Institute of Medical and Biological Engineering at the University of Leeds is a recognised centre of excellence in the field of regenerative medicine and advanced biomaterials. During the development of the dCELL® Technology, grants totalling £2 million have been received from the EPSRC, Yorkshire Children's Heart Foundation, BBSRC and others and these have enabled the Founders and their research teams at the IMBE to develop and refine the technology.

In December 2006 and under investment rights vested in it pursuant to the Technology Transfer Framework Agreement, Techtran, together with the White Rose Technology Fund, invested in a seed financing round of £685,000, the proceeds of which were used to progress the dCELL® Technology towards a pre-clinical study that demonstrated the early promise of the underlying process.

Between the end of 2007 and May 2008, Tissue Regenix completed a further funding round raising approximately £3.3 million in aggregate in which John Samuel, the current chairman of Tissue Regenix and proposed Executive Chairman of the Company, participated. The proceeds were used to commence the first clinical trial on the dCELL® Vascular Patch which began in August 2009 and is continuing towards developing the quality systems necessary to securing a CE Mark. In October 2008, Antony Odell was appointed chief executive officer after working as a consultant to Tissue Regenix since early 2008.

The dCELL® Technology comprises a patented process which removes cells and other components from animal and human tissue allowing it to be used without anti-rejection drugs to replace worn out or diseased body parts. The potential applications of this process are diverse and address many critical clinical needs such as vascular disease, heart valve replacement and knee repair. Of the range of potential applications, Tissue Regenix is currently focused on delivering its lead product, the dCELL® Vascular Patch, onto the

market and the current timetable envisages Tissue Regenix making its final submission for a CE Mark shortly. It is the Continuing Board's intention to use the proceeds of the Placing to complete the application process and commence the marketing of the dCELL® Vascular Patch and to develop further follow-on products in the vascular, cardiac and orthopaedic areas.

The Continuing Board believe that medical products based on the dCELL® Technology have the potential to deliver long term solutions to major clinical problems due to their ability to regenerate inside the human body using the patient's own cells thereby avoiding the need for re-treatment.

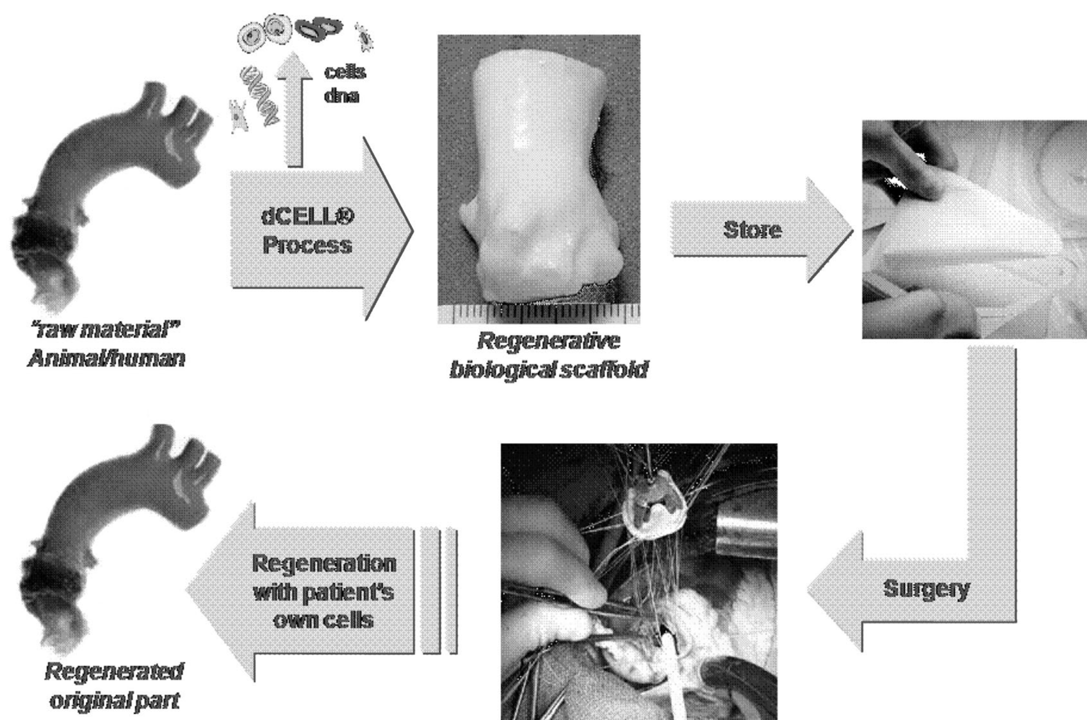
4. THE dCELL® PROCESS AND VASCULAR PATCH

The process comprised within the dCELL® Technology involves the production of biological scaffolds created by taking a piece of animal or human tissue that is equivalent to the diseased or damaged body part which is being replaced, treating such tissue with a series of chemical washes to decellularise it and then sterilising the tissue. The end product is a scaffold which can be stored under normal conditions at room temperature like any synthetic medical device and, when it is implanted into the body, it repopulates with the patient's own cells using natural biological repair mechanisms.

The key benefits of the scaffold include the following:

- it provides strength and support to the repair site within the body;
- it is biocompatible, meaning that is compatible with living cells, tissues, organs or systems and posing little risk of injury toxicity or rejection by the immune system; and
- it incorporates into the patient's tissue allowing it to regenerate and is cell friendly.

The diagram below shows the steps in the decellularisation process underlying the dCELL® Technology.



dCELL® Vascular patch

Tissue Regenix's dCELL® Vascular Patch is a sterile, non-cellular biological scaffold which is intended to be permanently implanted into the human body for vascular repair. An example of its use is as a patch to close a blood vessel after the surgical removal of plaque in an artery that has become narrow or blocked due to peripheral vascular disease. The use of a biological patch for such closure is just one or several clinical options, which include primary closure, use of an autologous vein or use of a prosthetic (synthetic) patch.

Patching has been routinely used as early as 1965 and there is strong evidence that carotid patching provides long-term benefits for patient care.

Tissue Regenix has recently completed the six month follow up to its clinical trial on the dCELL® Vascular Patch and will shortly be submitting its dossier of data from the clinical trial to the regulatory authority as part of its application for a CE Mark in Europe. Subsequent to attaining approval, it is the Continuing Board's intention to start marketing the dCELL® Vascular Patch in Europe and to file for regulatory approval in the US.

5. THE REGULATORY ENVIRONMENT

Tissue Regenix operates in a highly regulated environment and, as such, all of its products are subject to external governmental approval. In regulatory terms, Tissue Regenix's products are regarded as medical devices by EU and US regulators because they either treat/alleviate disease or because they replace/modify the anatomy in a way that does not achieve its principal intended action in or on the human body by pharmacological, immunological or metabolic means.

Within the EU, medical devices must be compliant to the European Council Directive 93/42/EEC of 14 June 1993 which concerns medical devices, plus a range of subsequent amendments to the Directive. Devices are regulated by EU member state competent authorities, which in the UK is the Medicines & Healthcare Regulatory Agency. These competent authorities in turn designate notified bodies to audit medical device manufacturing facilities and to assess product information dossiers. Tissue Regenix's notified body is Intertek, formerly known as Amtac Certification Services Ltd. Council Directive 93/42/EEC includes non-viable animal tissue devices in its scope and thus covers Tissue Regenix's products. Specifically, Tissue Regenix's dCELL® products are Class III medical devices in the EU and are regarded as higher risk medical devices due to their animal derived nature (Class III being the highest risk medical device class). As such, Tissue Regenix operates under stringent controls and its registration design dossier (a comprehensive product information package) for the dCELL® Vascular Patch product is currently being examined by Intertek to enable Tissue Regenix to gain approval to place the product on the market and to affix a CE mark to the product. As part of the approval process, Tissue Regenix's manufacturing facilities have also been assessed by Intertek and Tissue Regenix will gain certification to the ISO 13485: 2003 medical devices quality management systems standard as part of the approval process.

Within the US, medical devices must be compliant to the Federal Food, Drug and Cosmetic Act. Procedural regulations relating to medical devices in the US are documented in the Code of Federal Regulations 21 Part 800-898 for Medical Devices (Sub Chapter H). Devices in the US are all regulated by the FDA. Specifically, Tissue Regenix's dCELL® products are either Class II or Class III products in the US (with Class III being the highest risk medical device class). Classification is generally dependent on the intended purpose of the device and also whether the devices are substantially equivalent to other Class II devices already cleared by the FDA (rather than being based on whether the material is of animal origin). Both Class II and III products require a data package submission to the FDA prior to placing the product on the market, however, the types of submission (and data requirements) differ depending on the class. The Proposed Directors believe that the dCELL® Vascular Patch is substantially equivalent to other products on the US market place and will be a Class II product.

To help ensure that Tissue Regenix's products will meet global regulatory standards, it designs its devices to meet a number of key medical device standards, including but not limited to ISO 10993 (biological evaluations), ISO 14971 (application of risk management), ISO 22442 (animal tissues and their derivatives) and ISO EN ISO 14160 (sterilisation).

6. INTELLECTUAL PROPERTY RIGHTS

The Tissue Regenix patent portfolio is based around the two initial patent filings made by the University of Leeds in 2001 and 2003 and covering the basic methodology of preparing tissue matrices for subsequent implantation. The method patent covers (i) the use of single low concentration of an anionic detergent "SDS" and (ii) the use of ultra-sound energy for recellularisation. Both of these inventions have now progressed through the International PCT Phase and are granted in certain jurisdictions. The detailed status of each of

these patents in the various jurisdictions in which they have been filed, referred to as Patent Family 1 and Patent Family 2, is set out in paragraphs 1 and 2 of Part II of this document.

Since the initial two patents were filed, applications for two further patent families have been filed demonstrating improvements to the basic methodology in order to prepare specific tissues with unique properties. The detailed status of each of these patent applications in the various jurisdictions in which they have been filed, referred to as Patent Family 3 and Patent Family 4, is set out in paragraphs 3 and 4 of Part II of this document.

Each of Patent Family 1, Patent Family 2 and Patent Family 3 have been filed in the name of the University of Leeds and licensed to Tissue Regenix on an exclusive world-wide royalty free basis for the lifetime of: the granted patents; any further patents granted pursuant to the pending patent applications; and any further applications made claiming priority from these. Further details of the IPR Licence are set out in paragraph 12 of Part VII of this document.

Patent Family 4 was originally filed in 2006 jointly in the names of the University of Leeds and the University of York. The patents and patents applications comprised within this family were assigned to Tissue Regenix on 28 May 2010. Further details of this assignment are set out in paragraph 12 of Part VII of this document.

In addition to the Owned Patents and Licensed Patents, the Know How forms an integral part of the Intellectual Property Rights of Tissue Regenix.

Tissue Regenix also have a European Community Trade Mark registration for the trade mark "dCELL®". An application for this trade mark is also currently pending in the US.

As Tissue Regenix grows and further develops its dCELL® Technology and products using the technology, it will continue with its strategy of filing patents to protect any improvements to existing methods and also to file specific product patents.

7. STRATEGY OF THE ENLARGED GROUP AND USE OF PROCEEDS

The strategy of the Enlarged Group will be to continue to use its core dCELL® Technology as a platform to develop a range of products using the established medical device regulatory pathway to deliver solutions to unmet clinical needs. The three priority markets for the application of the technology are:

- Vascular (e.g. vascular patches);
- Cardiac (e.g. heart valves); and
- Orthopaedics (e.g. meniscus).

The lead product is the dCELL® Vascular Patch which is described further in paragraph 4 above. The Continuing Board's intention with the dCELL® Vascular Patch is to secure regulatory approval in Europe and, subsequently, the US in order for it to commence marketing in these jurisdictions and also to explore other potential applications of the dCELL® Vascular Patch in addition to the vascular application, for example, in neurosurgery and hernia repair. Each of these new applications will increase the available market opportunity for the product.

The next product on which the Enlarged Group intends to focus following Admission is the dCELL® Meniscus. The dCELL® Meniscus is a device made from porcine meniscus which possesses the biomechanics and structure of human meniscus which the Continuing Board believes will assist in restoring normal function. Key benefits of the dCELL® Meniscus include that it is acellular and biocompatible and the dCELL® process results in a cell friendly scaffold which regenerates with the patient's own cells and remaining tissue. The complex organisation of collagen in meniscal tissue means the structure is virtually impossible to replicate with synthetic materials, a problem that is overcome by using meniscus as the starting material to manufacture the implantable scaffold. The dCELL® Meniscus product has already been the subject of more than 3 years of background research at the IMBE. The Continuing Board intends to apply a significant proportion of the aggregate cash resources of the Enlarged Group following completion of the

Placing towards the further development of the dCELL® Meniscus and the securing of regulatory approval for marketing.

Other possible products in the Enlarged Group's pipeline include the following:

- Cardiology – dCELL® Aortic Valve;
- Vascular – dCELL® Graft;
- Orthopaedic- dCELL® Ligament; and
- Urology – dCELL® Bladder and dCELL® Patch.

As mentioned above, the Enlarged Group's commercial strategy relies on discovering and developing products from its novel process and improvements to that process. In addition, the commercial strategy will involve (i) seeking and obtaining regulatory and pricing and reimbursement approval for the products developed; and (ii) convincing surgeons that they should be using the Enlarged Group's products. All of these steps involve degrees and elements of uncertainty. The market segments addressed by the Enlarged Group's products differ in a number of factors including size and complexity of the target application/mechanism. The Enlarged Group's products may not be appropriate for certain potential applications. The route to market for a particular product is also a critical factor in determining how widely adopted that product might be and obtaining pricing and reimbursement for that product can also be crucial to its success and use. The Enlarged Group may not be able to obtain regulatory approval and/or pricing and reimbursement approval for its products. Even after regulatory approval is obtained, medical devices rely on clinical evidence for their success and also the use of surgeon recommendation, neither of which the Proposed Directors are able to predict with any certainty. To some extent the commercial success of the Enlarged Group may depend on its ability to protect and enforce its Intellectual Property Rights (and in particular, at this point in time, Patent Family 1) so as to preserve its exclusive rights in respect of the dCELL® Technology and to preserve the confidentiality of its Know-How. The Enlarged Group may not be able to protect and preserve its Intellectual Property Rights or to exclude competitors with competing technologies or competing products made through different processes. Patent Families 1 and 2 claim processes for the production of products and do not contain any product claims. Enforcement of process related claims can be difficult.

With the dCELL® Vascular Patch, the dCELL® Meniscus and subsequent products which may be developed by the Enlarged Group, it is the Continuing Board's intention, once the requisite regulatory approvals are obtained, to pursue a combined commercialisation strategy of both licensing the dCELL® Technology to third parties and entering into co-marketing and/or distribution agreements with third parties relating to the underlying products.

Alongside the activities described above, it is the Continuing Board's intention for the Enlarged Group to continue to work with and strengthen the existing links which Tissue Regenix already has with major academic centres in Europe, North and South America in order to leverage their resource and expertise to enhance the value of the dCELL® Technology and to facilitate the development and introduction of additional products/processes using it.

Additionally, the Continuing Board believes that the dCELL® Technology may be enhanced by the strategic acquisition of complimentary technologies to strengthen its technology base and Intellectual Property Rights in the Regenerative Medicine sector.

Following Admission, the Enlarged Group will have net funds of approximately £6.8 million. These funds will be applied towards the execution of the Enlarged Group's strategy.

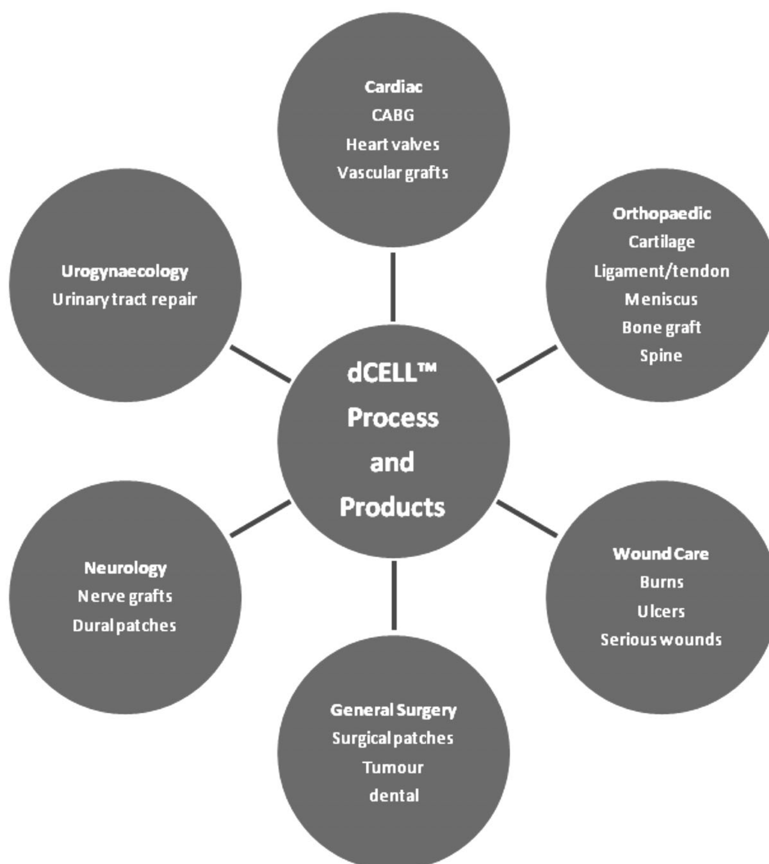
8. MARKETS

The market for human therapeutic products employing tissue engineering and Regenerative Medicine technologies is one of the most rapidly growing sectors within the medical products market, offering a permanent cure rather than an ongoing therapeutic treatment. The range and complexity of Regenerative Medicine products is significant, but the market can be broadly categorised into two main segments:

- Scaffolds – including gels, foams, membranes and fibres; and
- Cells – including cultivated adult and embryonic stem cells, autogenous and differentiated cells.

The dCELL® Technology currently falls just within the scaffolds segment but there is potential in the future for it to also form the base scaffold for further cell-based therapeutics.

The general global healthcare medical devices market further sub-divides along surgical specialty lines. Those sub-segments of particular relevance to the dCELL® Technology and products are shown in the diagram below:



As the Regenerative Medicine market is a relatively new and emerging market, current estimates of its total value are variable with many of the sub-segments of the market being in their infancy and a number still in development. There is, however, general agreement amongst market researchers and governmental bodies in the UK and the US that the potential markets are significant and, according to a report produced in early 2009, the global market potential for Regenerative Medicine will exceed $118bn by 2013 with an estimated compound annual growth rate of 4.8 per cent. Substantial growth is generally expected in multiple product segments. The Enlarged Group's target procedure areas with high volume and/or high growth potential and in which the dCELL® Technology has applicability (which will only be a proportion of the Regenerative Medicine market) include neurologic, orthopaedic, cardiovascular, urologic and wound care.

9. COMPETITION

Decellularisation is an emerging concept and the published scientific literature shows that there are different techniques used to achieve it. The Proposed Directors are aware of several research groups who are using decellularisation technology and the Continuing Board will continue to monitor new publications to ascertain the development status of these and any new decellularisation technologies which are developed.

The main commercial competitors of which the Proposed Directors are aware, are:

- **CryoLife** – CryoLife develops human derived grafts and tissue engineered heart valves, as well as a proprietary process for preserving non-human tissue for human implantation. Most relevant to the dCELL® Technology is Cryolife's SynerGraft technology, a decellularising method for denuding a human valve of its living cells to create an acellular valvular construct that may function as a scaffold for repopulation by the patient's own cells. Cryolife is currently applying Synergraft to human tissues only.

- **LifeCell** – LifeCell develops and markets tissue repair products for use in orthopedic, reconstructive and urogynecologic surgical procedures. In June 2007, LifeCell received marketing clearance from the FDA for its Strattice™ product, a sterile porcine-derived tissue matrix processed using Lifecell's proprietary technology which was launched in 2008. The Continuing Board believes that the process underpinning the dCELL® Technology is more efficient at removing immunogenic components that Lifecell's Strattice™.

- **Synovis Life Technologies Inc.** (NASDAQ: SYNO) – Synovis' Veritas product range of patches is one of the newest product ranges in the current market and represents a benchmark for the Enlarged Group's products since they are gaining acceptance and sales amongst users of patches. Unlike porcine based devices being developed by Tissue Regenix, these are bovine derived implants.

- **Cook Biotech** – Cook Biotech's SIS™ technology is an existing product on the market. As with Lifecell's Strattice™ product, the Proposed Directors believe that the dCELL® process is more efficient at removing immunogenic components than Cook Biotech's SIS™ technology.

- **Covidien Inc.** – Covidien acquired Tissue Science Laboratories plc ("TSL") in 2008. TSL has a porcine based product called Permacol, but, unlike the dCELL® Technology, its process uses fixation chemicals.

10. DETAILS OF THE ACQUISITION

Under the terms of the Acquisition Agreement, the Company has conditionally agreed to acquire the Tissue Regenix Share Capital for £12 million. The consideration for the Acquisition, which is payable on Admission, is to be satisfied by the allotment and issue by the Company to the Vendors of the Consideration Shares, credited as fully paid up at the Placing Price. The Consideration Shares will, when issued, represent 51.42 per cent. of the Enlarged Issued Share Capital and will rank *pari passu* in all respects with the New Ordinary Shares then in issue, including all rights to receive all dividends and other distributions declared, made or paid following Admission. Application will be made for the admission of the Consideration Shares to trading on AIM and dealings are expected to commence following completion of the Acquisition.

As part of the Acquisition, the Tissue Regenix Options will be replaced by the Company granting the Replacement Options. The Replacement Options will be granted on the similar terms as the Tissue Regenix Options. Further details of the number and terms of exercise of the Replacement Options to be granted under the EMI Scheme and the Unapproved Option Scheme are set out in paragraph 11 of Part VII of this document.

The Acquisition Agreement is conditional, *inter alia*, upon the passing of the Resolutions and Admission. The Company has the right to rescind the Acquisition Agreement if a material adverse change occurs in relation to the assets or financial position of Tissue Regenix prior to Admission. The Vendors also have a similar right should there be a material adverse change in Oxeco prior to Admission.

The Acquisition Agreement contains a variety of restrictive covenants from the Covenantors (which includes the Founders). The Acquisition Agreement also contains certain warranties from the Warrantors on the business of Tissue Regenix. The other Vendors are only giving warranties as to their respective ownership of their Tissue Regenix Shares. All warranties are given on a several basis and are subject to an aggregate financial cap on each Vendors' liability by reference to the value of his/its Consideration Shares as at the date of a claim being made for breach of warranty.

Further details of the Acquisition Agreement are set out in paragraph 12 of Part VII of this document.

11. RELATED PARTY TRANSACTIONS

The Acquisition will constitute a related party transaction under the AIM Rules by reason of ORA Guernsey holding 45.25 per cent. of the issued share capital of the Company and 18.85 per cent. of the Tissue Regenix Share Capital. Furthermore, Michael Bretherton (a director of the Company) is a director of ORA Guernsey and a director and shareholder of ORA, the holding company of ORA Guernsey. Gordon Hall and Graham Richards, as independent directors for this purpose, having consulted with ZAICF, consider the Acquisition to be fair and reasonable insofar as Shareholders of the Company are concerned.

The placing of 29,892,989 Placing Shares at the Placing Price to ORA Guernsey and 200,000 Placing Shares at the Placing Price to Michael Bretherton, a Director, will also constitute a related party transaction under the AIM Rules. Gordon Hall and Graham Richards, as independent directors for this purpose, having consulted with ZAICF, consider the participation of ORA Guernsey and Michael Bretherton in the Placing to be fair and reasonable insofar as Shareholders of the Company are concerned.

12. GRANT OF REPLACEMENT OPTIONS AND NEW OPTIONS AND RIGHTS UNDER THE JOINT OWNED SHARE SCHEME

The Continuing Board recognises the importance of ensuring that employees of the Enlarged Group are well motivated and identify closely with its future success. They therefore regard employee share ownership as a key incentive and it is proposed that the Company adopt the Share Schemes at Admission.

The EMI Scheme will allow the grant of options over New Ordinary Shares to eligible employees of the Enlarged Group, which include executive directors and employees. It is proposed that Replacement Options under the EMI Scheme will be granted, at Admission, to replace the Tissue Regenix Options currently held by Antony Odell and other employees. In addition, it is proposed that additional New Options under the EMI Scheme will be granted, at Admission, to Antony Odell and John Samuel which will only vest subject to meeting agreed performance criteria. Further details of the number of Replacement Options and New Options to be granted under the EMI Scheme, the exercise price, and final exercise date are set out in paragraph 11 of Part VII of this document.

In respect of the Replacement Options to be granted under the EMI Scheme to replace the Tissue Regenix Options, confirmation is being sought from the Shares and Assets Division of HM Revenue and Customs that such replacement options will be of equivalent value and as such will continue to be treated as qualifying for EMI.

The Unapproved Scheme will allow the grant of options over New Ordinary Shares to all directors and employees of the Enlarged Group. It is proposed that Replacement Options under the Unapproved Scheme will be granted, at Admission, to replace the Tissue Regenix Options currently held by directors, employees and consultants over shares in Tissue Regenix. Further details of the number of Replacement Options to be granted under the Unapproved Scheme, the exercise price, and final exercise date are set out in paragraph 11 of Part VII of this document.

A summary of the Tissue Regenix Options that have been granted and of the Replacement Options to be granted in substitution for the Tissue Regenix Options, together with the additional New Options to be granted to Antony Odell and John Samuel, is set out below:

	Number of Tissue Regenix Options at the date of this report	*Number of Replacement Options to be granted in substitution*	*Number of New Options to be granted on Admission*	*Total Replacement Options and New Options to be granted on Admission*
EMI options				
Antony Odell	379	8,307,608	1,187,200	9,494,808
John Samuel	0	0	2,400,000	2,400,000
Other employees	145	3,178,370	0	3,178,370
Total EMI Options	524	11,485,978	3,587,200	15,073,178
Unapproved options				
Other employees and consultants	129	3,105,241	0	3,105,241
Total options	653	14,591,219	3,587,200	18,178,419

The Joint Owned Share Scheme will offer executives and selected senior employees of the Company the opportunity to purchase an interest in New Ordinary Shares jointly with the Oxeco Plc Employee Benefit Trust. The executive's or employee's interest will entitle him or her to participate in the future growth in share value above the market value, at the date of award, of a New Ordinary Share subject to meeting agreed performance criteria. The balance of any benefit will accrue to the EBT which may use its shares for future employee incentivisation as well as, if appropriate, to repay loans to the Company covering the subscription monies owed by the EBT for purchase of its initial interest in the New Ordinary Shares. It is proposed that, at Admission, John Samuel will acquire an interest in 10,740,000 New Ordinary Shares through the EBT, that Antony Odell will acquire an interest in 5,372,800 New Ordinary Shares through the EBT and that Michael Bretherton will acquire an interest in 600,000 New Ordinary Shares through the EBT. Further details of the terms of the Joint Owned Share Scheme and the interests to be acquired by John Samuel, Antony Odell and Michael Bretherton are set out in paragraph 11 of Part VII of this document.

13. CURRENT TRADING

Historical audited financial information of the Oxeco Group for the 12 months to 31 January 2008, 12 months to 31 January 2009 and 12 months to 31 January 2010 is set out in the Company's latest published statutory accounts which are available from the Company's website www.oxecoplc.com. The consolidated trading loss for the year ended 31 January 2010 from continuing operations was £0.12 million, increasing to a loss of £0.23 million after incorporating the discontinued activities of the Oxray business, compared to a loss in the previous year of £0.03 million before impairment of goodwill which increased to a loss of £2.15 million after the impairment, and £2.35 million after incorporating discontinued activities. Consolidated net assets at 31 January 2010 amounted to £2.30 million, including cash balances of £2.32 million compared with net assets of £2.52 million and cash balances of £2.53 million a year earlier at 31 January 2009. The Oxeco Group has, subsequent to 31 January 2010, traded in line with expectations.

Historical audited financial information of Tissue Regenix for the 15 months from 5 May 2006 to 31 July 2007, 12 months to 31 July 2008, 12 months to 31 July 2009 and 6 months to 31 January 2010 is set out in Section B of Part V of this document. Tissue Regenix made a loss before tax of £0.15 million in the 15 months to 31 July 2007, a loss before tax of £0.58 million in the 12 months to 31 July 2008, a loss before tax of £1.42 million in the 12 months to 31 July 2009 and a loss before tax of £0.74 million in the 6 months to 31 January 2010. The net equity attributable to shareholders was £0.54 million as at 31 July 2007, £3.17 million as at 31 July 2008, £1.95 million as at 31 July 2009 and £1.29 million as at 31 January 2010. Tissue Regenix has, subsequent to 31 January 2010, traded in line with expectations.

14. FINANCIAL EFFECTS OF THE ACQUISITION AND PLACING

The Acquisition and the Placing are expected to strengthen the Company's balance sheet and provide the Enlarged Group with funding to pursue its proposed strategy as outlined in paragraph 7 above.

A Pro Forma Statement of Net Assets is set out in Section B of Part VI of this document and discloses that the Enlarged Group will have pro-forma net assets of £7.6 million inclusive of cash and cash equivalent balances of £7.4 million and after paying the estimated expenses of the Proposals.

15. CITY CODE ON TAKEOVERS AND MERGERS

The terms of the Proposals give rise to certain considerations under the City Code. Brief details of the Panel, the City Code and the protection they afford are given below.

The City Code does not currently have the full force of law. It has, however, been acknowledged by both government and other regulatory authorities that those who seek to take advantage of the facilities of the securities markets in the United Kingdom should conduct themselves in matters relating to takeovers (and related transactions) in accordance with high business standards and according to the City Code.

The City Code is issued and administered by the Panel. The City Code applies to all listed or unlisted public companies registered in the United Kingdom (and to private companies in certain circumstances) and, where not listed on a regulated market, are considered by the Panel to have their place of central management and control in the United Kingdom. The Company is a public company registered in the United Kingdom and managed and controlled in the United Kingdom and as such its Shareholders are therefore entitled to the protections afforded by the City Code.

Under Rule 9 of the City Code, where any person acquires, whether by a single transaction or a series of transactions over a period of time, an interest in shares which (taken together with shares in which persons acting in concert with him are interested) carry 30 per cent. or more of the voting rights of a company, that person is normally required by the Panel to make a general offer, in cash, to the shareholders of that company to acquire the balance of the equity share capital and any other class of transferable security carrying voting rights of the company at the highest price paid by that person or any person acting in concert with him in the previous 12 months.

Rule 9 of the City Code further provides that, *inter alia*, where any person who, together with persons acting in concert with him is interested in shares which in aggregate carry, not less than 30 per cent. of the voting rights of a company but does not hold shares carrying not more than 50 per cent. of such voting rights and such person, or any such person acting in concert with him, acquires an interest in additional shares which increase his percentage of shares carrying voting rights, such person is normally required by the Panel to make a general offer to the shareholders of that company to acquire the balance of the equity share capital and every other class of transferable security carrying voting rights of the company at the highest price paid by that person or any person acting in concert with him in the previous 12 months.

Under the City Code, a concert party arises when persons who, pursuant to an agreement or understanding (whether formal or informal), co-operate to obtain or consolidate control of that company. Under the City Code, control means an interest, or aggregate interests, in shares carrying 30 per cent. or more of the voting rights of a company, irrespective of whether the interest or interests gives *de facto* control.

Before Admission, the Concert Party will, in aggregate, be interested in 352,500,000 Existing Ordinary Shares, representing approximately 58.75 per cent. of the then issued ordinary share capital of the Company. Following completion of the Acquisition and the Placing, the Concert Party will, in aggregate, be interested in 169,708,809 New Ordinary Shares, representing approximately 36.36 per cent. of the voting rights attaching to the Enlarged Issued Share Capital. The table below shows the interests of each member of the Concert Party in the Existing Ordinary Shares and in the New Ordinary Shares following completion of the Acquisition, Placing and Admission.

ORA Concert Party

	Number of Existing Ordinary Shares	*%. of Existing Ordinary Shares*	*Number of Consideration Shares*	*No. of New Ordinary Shares post issue of the Consideration Shares and the Share Consolidation*	*%. of New Ordinary Shares post issue of the Consideration Shares*	*Number of Placing Shares*	*No. of New Ordinary Shares following Admission*	*% of Enlarged Issued Share Capital*
ORA	271,500,000	45.25	226,212,439	99,542,487	27.65	29,892,989	129,435,476	27.73
Robert Quested	55,000,000	9.17	–	11,000,000	3.06	1,833,333	12,833,333	2.75
Richard Griffiths[(1)]	22,000,000	3.67	–	4,400,000	1.22	20,000,000	24,400,000	5.23
Michael Bretherton[(2)]	2,000,000	0.33	–	400,000	0.11	800,000	1,200,000	0.26
Beatrice Hollond	500,000	0.08	–	100,000	0.03	200,000	300,000	0.06
Annnabel Ede-Golightly	1,500,000	0.25	–	300,000	0.08	–	300,000	0.06
James Ede-Golightly	–	0.00	–	–	0.00	200,000	200,000	0.04
William Orgee	–	0.00	–	–	0.00	1,000,000	1,000,000	0.21
Nikki Cooper	–	0.00	–	–	0.00	40,000	40,000	0.01
	352,500,000	58.75	226,212,439	115,742,487	32.15	53,966,322	169,708,809	36.36

1. Includes 20,000,000 New Ordinary Shares to be held through a derivative financial instrument with Cantor Index Limited.

2. Includes 600,000 New Ordinary Shares to be held jointly by Michael Bretherton and the EBT.

The Panel has been consulted and has agreed that it will not require the Concert Party, individually or collectively, to make a general offer for shares in the Company as a result of the issue of the Placing Shares or the Consideration Shares on the basis that on 25 June 2007 the independent Shareholders at that time approved a waiver of such obligation on the Concert Party in accordance with the provisions of the City Code as part of the acquisition of Oxray by the Company and because the aggregate percentage holding of the Concert Party will, following the completion of the Proposals, fall from 58.75 per cent. to 36.36 per cent.

Following completion of the Acquisition, the Placing and Admission, the Concert Party will continue to be considered to be acting in concert by the Panel and so, as outlined above, if any member of the Concert Party acquires an interest in additional New Ordinary Shares which increases that person's percentage of shares carrying voting rights, the Concert Party will normally be required by the Panel to make a general offer to the shareholders of the Company to acquire the balance of the equity share capital in the Company and every other class of transferable security carrying voting rights of the Company at the highest price paid by any member of the Concert Party in the previous 12 months.

Further details on the individual members of the Concert Party and their holdings is set out in Part IV of this document.

16. INFORMATION ON THE DIRECTORS AND PROPOSED DIRECTORS

The Directors of the Company as at the date of this document are Michael Bretherton, Gordon Hall and Professor Graham Richards. It is proposed that, with effect from Admission, Gordon Hall and Professor Graham Richards will resign from the Board, Michael Bretherton will assume the role as Finance Director and John Samuel, Antony Odell, Alan Miller, Alex Stevenson and Alan Aubrey will join the Board as Executive Chairman, Managing Director and Non-Executive Directors respectively.

Details of the Continuing Board are set out below:

John Andrew Walter Samuel, *Executive Chairman, aged 58*

John Samuel joined Tissue Regenix as Chairman in March 2008. John qualified as a Chartered Accountant with Price Waterhouse and has held a number of senior finance positions in industry, including as Financial Director of Whessoe plc and Ellis & Everard plc. He was formerly the CEO of the Molnlycke Health Care Group, a global provider of single use surgical and wound care products to the healthcare sector. Until January 2010 he was a partner with Apax Partners LLP.

Antony Ruben Odell, *Managing Director, aged 48*

Antony Odell joined Tissue Regenix as a consultant from January 2008. Antony was made chief executive officer of Tissue Regenix in October 2008. Antony has extensive commercial experience in the medical technology sector. As well as working as co-director of Xeno Medical, a medical technology consultancy, he was CEO for a UK NHS cardiovascular device spin-out, Tayside Flow Technologies Ltd. Antony has a strong corporate sector background having worked for J&J Medical for almost 10 years in European business development roles for Drug Delivery & Vascular Access and General Manager (UK) for Fresenius (Critical Care & Diagnostics).

Michael Anthony Bretherton, *Finance Director, aged 54*

Michael Bretherton graduated in Economics from the University of Leeds and then worked as an accountant and manager with Pricewaterhouse for 7 years in both London and the Middle East. Michael subsequently worked for the Plessey Company Plc before being appointed finance director of the fully listed Bridgend Group Plc in 1988 where he held the position for 12 years. More recently, he has worked at the property and services company, Mapeley Limited, and at the entertainment software games developer, Lionhead Studios Limited. Michael has a depth of business experience and has been involved in the strategic evaluation and commercial implementation of a broad range of business initiatives, including acquisitions, disposals, restructurings, company start-ups, venture capital fundings and IPO flotations. He is currently also a director of ORA, which he joined at its inception in early 2006, as well as of Nanoco Group Plc, Obtala Resources Plc, Oxford Advanced Surfaces Group Plc and Oxford Nutrascience Group Plc, all of which are AIM listed. Michael's services to the Company are provided pursuant to a consultancy agreement with the ORA Group, details of which are described in paragraph 12 of Part VII of this document.

Alan Jonathan Richard Miller, *Non-Executive Director, aged 46*

Alan Miller is a founding partner of SCM Private, the wealth management company, which was set up in early 2009 and which recently was awarded "New Firm of the Year" by Spears magazine. He was formerly the chief investment officer and founding shareholder of New Star Asset Management from early 2001 until early 2007. Prior to that, he was a director at Jupiter Asset Management in charge of their specialist high performance division between 1994 and 2000. Earlier he was a senior fund manager at Gartmore Investment Management between 1988 and 1994. Alan is also a non-executive director of several private companies including Pharminox Ltd, a pharmaceutical company specialising in cancer research, and Leigh Cottage Childcare, a children's nursery near Bradford-upon-Avon providing home from home childcare. Alan's qualifications include a degree in Commerce (Accounting) from Birmingham University, the London Business School Investment Management Programme, the Society of Investment Analysts exams, and the Chartered Institute of Management Accountants exams.

Alexander James Stevenson, *Non-Executive Director, aged 39*

Alex Stevenson joined Tissue Regenix as a non-executive director in December 2007. Alex is a director of Aquarius Equity Partners, one of the investors in Tissue Regenix. He began his career as a scientist, before focusing on identification, establishment and growth of high value technology businesses. Alex worked for Techtran from formation through to its sale to main market listed IP Group in 2005. Following the acquisition, Alex worked in a variety of roles within IP Group and managed investments in portfolio companies including Avacta and Syntopix (where he was also CEO), both of which listed on AIM in 2006. Most recently, Alex was a founder and chief operating officer of Modern Biosciences plc, the drug development subsidiary of IP Group.

Alan John Aubrey, *Non-Executive Director, aged 48*

Alan is the chief executive officer of IP Group plc, a company that specialises in commercialising intellectual property originating from research intensive institutions. He is a non-executive director of PROACTIS Holdings PLC and Energetix Group PLC, and is a non-executive director of Avacta Group plc. Previously, Alan was the founder and CEO of Techtran that was sold to IP Group in 2005. He was also a partner at

KPMG where he specialised in providing corporate finance advice to fast growing technology businesses. He is a fellow of the Institute of Chartered Accountants.

17. LOCK-IN AGREEMENT

The Warrantors who, following Admission, will be interested, in aggregate, in 356,309,631 New Ordinary Shares (including those New Ordinary Shares which may be issued on the exercise of New Options to be granted conditional on Admission or New Ordinary Shares held under the JOSS), representing approximately 74.45 per cent. of the Enlarged Issued Share Capital (as diluted by the exercise in full of the Replacement Options and New Options held by Antony Odell and John Samuel) have each undertaken to the Company and ZAICF that they will not, save in certain limited circumstances, (namely (a) as permitted by the AIM Rules and (b) in order to meet warranty claims under the Acquisition Agreement), sell or dispose of any interest in New Ordinary Shares held by them on Admission for a period of eighteen months following Admission, and that, for a further period of six months, they will only dispose of any interest in such New Ordinary Shares through ZAICF (or the Company's broker from time to time) in accordance with ZAICF's (or the relevant broker's) requirements for the maintenance of an orderly market in the New Ordinary Shares.

In addition, each of the Michael Bretherton and Antony Odell (as those members of the Continuing Board who are not also Warrantors), who will, on Admission, be interested, in aggregate, in 16,267,608 New Ordinary Shares (including those shares which may be issued on the exercise of New Options and Replacement Options to be granted conditional on Admission or New Ordinary Shares held under the JOSS), representing approximately 3.4 per cent. of the Enlarged Issued Share Capital (as diluted by the exercise in full of the Replacement Options and New Options held by Antony Odell and John Samuel) of the Company, have each undertaken to the Company and ZAICF not to dispose of the same for a period of (a) eighteen months following Admission save as permitted by the AIM Rules and (b) then for a further six months thereafter only in accordance with ZAICF's (or the relevant broker's) requirements for the maintenance of an orderly market in the New Ordinary Shares.

Further details of the Lock-In Agreement are set out in paragraph 12 of Part VII of this document.

18. RELATIONSHIP AGREEMENT

On 12 December 2006, the Company entered into a relationship agreement with ORA Capital in connection with the Company's admission to AIM. The purpose of the relationship agreement was to ensure that it would exercise its rights as a Shareholder to ensure that all transactions, relationships and agreements between the Company and the ORA Group would be on arm's length terms. The Company and ORA have, conditional on Admission, entered into the Restated Relationship Agreement. Further details of the Restated Relationship Agreement are set out in paragraph 12 of Part VII of this document.

19. DETAILS OF THE PLACING

The Company is proposing to raise £4.5 million (before expenses of approximately £0.47 million) by the issue of 106,712,800 Placing Shares at the Placing Price. Certain of the Directors and Proposed Directors are participating in the Placing as follows: Michael Bretherton, John Samuel, Antony Odell and Alan Miller will be subscribing for 200,000, 1,731,665, 200,000 and 4,192,258 Placing Shares respectively at the Placing Price. In addition, 16,712,800 Placing Shares are to be issued to the EBT, in respect of which the £835,640 of subscription monies will be loaned to the EBT by the Company (and which monies are therefore excluded from the proceeds of the Placing). The Placing Shares will represent, in aggregate, approximately 22.9 per cent. of the Enlarged Issued Share Capital. The Placing Shares will be issued credited as fully paid and will, upon issue, rank *pari passu* in all respects with the New Ordinary Shares then in issue, including all rights to receive all dividends and other distributions declared, made or paid following Admission. The Placing has not been underwritten or guaranteed. The Placing Shares have not been marketed in whole or in part to the public in connection with the application for Admission.

The Placing is conditional, *inter alia*, on the Placing Agreement becoming unconditional (save for any condition as to Admission) on or before 16 July 2010 (or such later time as ZAICF and the Company may agree). Further details of the Placing Agreement are set out in paragraph 12 of Part VII of this document.

20. SHARE CONSOLIDATION

The Company proposes to consolidate its existing share capital on the basis of 1 (one) New Ordinary Share for every 5 (five) Existing Ordinary Shares held by Shareholders on the register of members of the Company at the close of business on the Record Date. The Share Consolidation is to become effective on the Record Date.

The Directors and Proposed Directors believe that the Share Consolidation will be beneficial to the Company as it may facilitate trading in, increase liquidity and potentially reduce the volatility of the price of the New Ordinary Shares on AIM. Other than the change in nominal value, the New Ordinary Shares arising on implementation of the Share Consolidation will have the same rights as the Existing Ordinary Shares, including voting, dividend and other rights.

No Shareholder shall be entitled to receive a fraction of a New Ordinary Share and so where, as a result of the Share Consolidation, any Shareholder would be entitled to a fraction of a New Ordinary Share in respect of their holding of Existing Ordinary Shares at the Record Date (a "Fractional Shareholder"), such fractions shall be aggregated with the fractions of New Ordinary Shares to which other Fractional Shareholders of the Company may be entitled so as to form full New Ordinary Shares and shall be sold for the benefit of the Fractional Shareholder for the best price then reasonably available for such shares.

The proceeds of such sale (net of all costs and expenses) will then be distributed to the Fractional Shareholders in proportion to the fractions of New Ordinary Shares held by each of them.

However, any cash proceeds of less than £5 will not be distributed to Fractional Shareholders but will be retained for the benefit of the Company. In view of the current share price, the Directors and Proposed Directors do not believe that the due proportion of the proceeds of the sale of any fractional entitlements will amount to £5 and consider it unlikely that any sums will be paid to the Fractional Shareholders concerned.

If a Shareholder holds a share certificate in respect of an Existing Ordinary Share, the certificate will no longer be valid from the time the proposed Share Consolidation becomes effective. If a Shareholder holds 5 or more Existing Ordinary Shares at the Record Date, such Shareholder shall be sent a new share certificate evidencing the New Ordinary Shares to which such Shareholder is entitled to under the Share Consolidation. Such certificates are expected to be despatched no later than 7 days after Admission. Upon receipt of the new certificate, Shareholders should destroy any old certificates. Pending the despatch of new certificates, transfers of certificated New Ordinary Shares will be certified against the Company's share register.

21. CHANGE OF NAME

It is proposed that the name of the Company be changed to Tissue Regenix Group Plc. A special resolution, being Resolution 7, will be proposed at the GM to this effect.

22. DIVIDEND POLICY

It is the intention of the Continuing Board to achieve Shareholder capital growth. In the short term, the Continuing Board intends to reinvest any future profits in the Company and, accordingly, are unlikely to declare dividends in the foreseeable future. However, the Continuing Board will consider the payment of dividends out of the distributable profits of the Company when they consider it is appropriate to do so.

23. CORPORATE GOVERNANCE

The Directors and the Proposed Directors recognise the importance of sound corporate governance and intend that the Enlarged Group will observe the provisions of the Combined Code and the main provisions of the QCA Guidelines, insofar as they are appropriate given the Enlarged Group's size, stage of development and financial resources.

The Company established properly constituted audit and remuneration committees with formally delegated duties and responsibilities on its first admission to trading on AIM on 21 December 2006.

The members of both the audit committee and the remuneration committee as at the date of this document are Gordon Hall and Graham Richards, with Gordon Hall as the chairperson of each committee.

It is intended that, conditional upon Admission, each of Gordon Hall and Graham Richards will resign from both the audit and remuneration committees. In their place, Alex Stevenson, Alan Miller and Alan Aubrey will be appointed to each committee, with Alex Stevenson chairing the remuneration committee and Alan Miller the audit committee.

At the present time, given its stage of development, the Board does not feel it is appropriate to have a nomination committee. However, the Continuing Board will review this decision in the future as appropriate.

Share Dealing

The Company has adopted a code for directors' dealings in securities of the Company which is appropriate for an AIM quoted company. The Directors comply and the Continuing Board will continue to comply with Rule 21 of the AIM Rules relating to directors' dealings and will, in addition, take all reasonable steps to ensure compliance by the Enlarged Group's "applicable employees" (as defined in the AIM Rules).

24. NEW ARTICLES OF ASSOCIATION

The final provisions of CA 2006 came into force on 1 October 2009. It is now proposed that the New Articles be adopted to reflect the provisions of CA 2006 and to ensure consistency with CA 2006. Some of the principal provisions of CA 2006 that are reflected in the New Articles are as follows:

- CA 2006 abolishes the requirement for a company to have an authorised share capital and the New Articles reflect this. Directors will still be limited as to the number of shares they can at any time allot because allotment authority continues to be required under CA 2006, save in respect of employee share schemes;
- the New Articles are in line with the provisions of CA 2006 regarding the convening of and notice periods for general meetings. The effect of this is that at least 14 days notice is required for all general meetings, save for Annual General Meetings where at least 21 days notice will be required;
- CA 2006 provides that when a company has given an electronic address in a notice of meeting or form of proxy, it is treated as having accepted that a communication in relation to that notice of meeting or form of proxy can be sent to that electronic address. The New Articles will enable the Company to receive appointments of proxies in electronic form subject to the conditions or limitations which are specified in the notice of meeting;
- provisions have been included in the New Articles to provide the Company with a general power to send or give any notice, document or information to any shareholder in electronic form (such as by email), or by making it available on the Company's website, in accordance with the provisions of CA 2006. If the Company gives any notice or sends any document or information to its shareholders by making it available on the Company's website, it must comply with the requirements of CA 2006 and the notice provisions in the New Articles. The Company will be able to ask each individual shareholder for his or her consent to receive communications from the Company via its website. Shareholders can also revoke their consent to receive electronic communications at any time;
- provisions have been included in the New Articles in order to clarify the methods by which shareholders can communicate with the Company. Apart from hard copy documents or information sent or supplied by hand or by post, this can, pursuant to the new electronic communication provisions in CA 2006, also be by electronic communication to an address specified for the purpose by the Company for the purposes of receiving such communication; and
- CA 2006 significantly reduces the constitutional significance of a company's memorandum of association. Under CA 2006 the objects clause and all other provisions which are contained in a company's memorandum, for existing companies at 1 October 2009, are deemed to be contained in the company's articles of association but the company can remove these provisions by special resolution. Further, CA 2006 states that unless a company's articles provide otherwise, a company's

objects are unrestricted. This abolishes the need for companies to have objects clauses. The adoption of the New Articles confirms the removal of these provisions for the Company.

A summary of the principal provisions of the New Articles is set out in paragraph 5 of Part VII of this document.

25. ADMISSION TO AIM

Application will be made to the London Stock Exchange for the Enlarged Issued Share Capital to be admitted to trading on AIM. It is expected that Admission will become effective and dealings in the Enlarged Issued Share Capital will commence on AIM on 29 June 2010.

If the Resolutions are not passed or the Acquisition is not completed, the Existing Ordinary Shares will continue to be traded on AIM.

26. CREST

CREST is a computerised paperless share transfer and settlement system which allows shares and other securities to be held in electronic rather than paper form and transferred otherwise than by written instrument. The New Articles permit the New Ordinary Shares to be issued and transferred in uncertified form in accordance with the CREST Regulations. The Existing Ordinary Shares are currently enabled for settlement through CREST. Accordingly, settlement or transactions in the New Ordinary Shares following Admission may take place within CREST if relevant Shareholders so wish. CREST is a voluntary system and Shareholders who wish to hold their shares in certificated form will be able to do so.

27. TAXATION

Information regarding taxation in the UK with regard to holdings of Ordinary Shares is set out in paragraph 18 of Part VII of this document. These details are, however, intended only as a general guide to the current tax position under UK taxation law. Shareholders who are in any doubt as to their tax position or who are subject to tax in jurisdictions other than the UK are strongly advised to consult their own independent financial adviser immediately.

28. RISK FACTORS

Shareholders should consider carefully the risk factors set out in Part III of this document in addition to the other information presented.

29. ADDITIONAL INFORMATION

Your attention is drawn to the further information set out in Parts II to VII of this document.

30. GENERAL MEETING

The General Meeting has been convened for 10.00 a.m. on 28 June 2010 to be held at the offices of Fasken Martineau LLP, 17 Hanover Square, London W1S 1HU. You will find set out at the end of this document the Notice of GM convening the GM for the purposes of considering and, if thought fit, approving the following resolutions:

- Resolution 1 is an ordinary resolution to approve the Acquisition for the purposes of the AIM Rules;
- Resolution 2 is an ordinary resolution to approve the Share Consolidation;
- Resolution 3 is an ordinary resolution to authorise the Directors under section 551 of the CA 2006 to allot relevant securities up to an aggregate nominal value of £2,506,589.30;
- Resolution 4 is an ordinary resolution to approve the Share Schemes;
- Resolution 5 is a special resolution to dis-apply statutory pre-emption rights;

- Resolution 6 is a special resolution to approve the adoption of the New Articles; and
- Resolution 7 is a special resolution to approve the change of name of the Company to Tissue Regenix Group Plc.

The attention of Shareholders is also drawn to the voting intentions of the Directors as set out in paragraph 32 below.

31. ACTION TO BE TAKEN

Shareholders will find enclosed with this document a Form of Proxy, for use in connection with the GM. Whether or not you intend to be present at the GM, you are asked to complete and return the Form of Proxy in accordance with the instructions printed thereon as soon as possible but in any event so as to arrive no later than 10.00 a.m. on 26 June 2010, being 48 hours before the time appointed for the holding of the GM. Completion and posting of a Form of Proxy will not prevent you from attending and voting in person at the GM if you so wish.

32. RECOMMENDATION

As I am a member of the Concert Party and a director and shareholder of ORA, the holding company of ORA Guernsey, which is, in turn, a significant shareholder of the Company and of Tissue Regenix, I have not, in my capacity as a Director, taken any part in the consideration by the Board of the Acquisition. As Graham Richards is a director and a shareholder of IP Group (the holding company of Techtran and IP2IPO Nominees Limited, both Vendors), he has also not, in his capacity as a Director, taken part in the consideration by the Board of the Acquisition.

The Directors, who have been so advised by ZAICF, believe that the Proposals are fair and reasonable and in the best interests of the Company and the Shareholders as a whole. In providing advice to the Directors, ZAICF has taken account of the information supplied by the Directors and their commercial assessments. Accordingly, the Directors recommend the Shareholders to vote in favour of the Resolutions to be proposed at the GM (save that, to the extent that the Resolutions are necessary to implement the Placing, I make no recommendation as the Placing constitutes a related party transaction with me for the purposes of the AIM Rules). The Directors intend to vote in favour of the Resolutions in respect of their own beneficial holdings of, in aggregate, 3,000,000 Ordinary Shares representing 0.5 per cent. of the issued share capital of the Company at the date of this document.

Yours faithfully

MICHAEL BRETHERTON
Executive Chairman

PART II

TISSUE REGENIX'S PATENT PORTFOLIO

Set out below in this Part II are the details of the Licensed Patents (in paragraphs 1, 2 and 3) and the Owned Patents (in paragraph 4), together with an overview of the current status of each in each of the jurisdictions in which the relevant patents and/or patent applications have been filed.

1. Patent Family 1

Title of Invention	*Country*	*Filing Date*	*Expiry Date*	*Status*	*Application Number*
Decellularisation of Matrices (SDS)	Australia	20/5/02	20/5/22	Granted	AU2002310589
Decellularisation of Matrices (SDS)	Canada	20/5/02		Pending	CA 2447847
Decellularisation of Matrices (SDS)	Europe (Various)	20/5/02 20/5/22	20/5/22	Granted OPPOSITION PERIOD EXPIRED 4/12/09	EP 1392372 for all countries except Germany DE 60231395.3
Decellularisation of Matrices (SDS)	USA	20/5/02	20/5/22	Granted	US 7,354,749

2. Patent Family 2

Title of Invention	*Country*	*Filing Date*	*Expiry Date*	*Status*	*Application Number*
Ultrasonic Modification of Soft Tissue Matrices (US modification)	Australia	14/5/04		Pending	AU2004241775
Ultrasonic Modification of Soft Tissue Matrices (US modification)	Canada	14/5/04		Pending	CA 2526500
Ultrasonic Modification of Soft Tissue Matrices (US modification)	Europe (Various)	14/5/04	14/5/24	Granted Opposition Period Expired: 4/12/09	EP1624922 all countries except Germany DE 602004262.5 and Solvenia SI P200430252
Ultrasonic Modification of Soft Tissue Matrices (US modification)	USA	14/5/04		Pending	US 10/557,779

3. Patent Family 3

Title of Invention	*Country*	*Filing Date*	*Expiry Date*	*Status*	*Application Number*
Meniscal Repair (Knee)	Australia	13/11/07		Pending	AU 2007321018
Meniscal Repair (Knee)	China	13/11/07		Pending	CN 200780042802.7
Meniscal Repair (Knee)	Europe	13/11/07		Pending	EP 2094325
Meniscal Repair (Knee)	Canada	13/11/07			Awaiting filing details
Meniscal Repair (Knee)	India	13/11/07		Pending	IN 3130/DELNP/2009
Meniscal Repair (Knee)	Japan	13/11/07		Pending	JP 2009-536787
Meniscal Repair (Knee)	US	13/11/07		Pending	US 12/514,703
Meniscal Repair (Knee)	GB	13/11/07	13/11/27	Granted	GB 2443938

4. Patent Family 4

Title of Invention	*Country*	*Filing Date*	*Expiry Date*	*Status*	*Application Number*
Tissue Matrices For Bladder Implantation (Bladder)	Europe	28/3/07		Pending	EP2004250
Tissue Matrices For Bladder Implantation (Bladder)	Australia	28/3/07		Pending	AU2007231131
Tissue Matrices For Bladder Implantation (Bladder)	Canada	28/3/07		Pending	CA2,653,551
Tissue Matrices For Bladder Implantation (Bladder)	India	28/3/07		Pending	IN9011/DELNP/2008
Tissue Matrices For Bladder Implantation (Bladder)	USA	28/3/07		Pending	US 12/295,190
Bladder (Method)	GB	28/3/07	28/3/27	Granted	GB2433745
Bladder (Product)	GB	28/3/07	28/3/27	Granted	GB2440054

PART III

RISK FACTORS

The Directors and Proposed Directors believe that an investment in the New Ordinary Shares may be subject to a number of risks. Shareholders and prospective investors should consider carefully all of the information set out in this document and the risks attaching to an investment in the Company, including in particular the risks described below (which are not set out in any order of priority), before making any investment decisions.

The information below does not purport to be an exhaustive list. Shareholders and prospective investors should consider carefully whether an investment in New Ordinary Shares is suitable for them in the light of information in this document and their personal circumstances. The New Ordinary Shares should be regarded as a highly speculative investment and an investment in New Ordinary Shares should only be made by those with the necessary expertise to fully evaluate the investment. Prospective investors are advised to consult an independent adviser authorised under the Financial Services and Markets Act 2000.

If any of the following risks relating to the Enlarged Group were to materialise, the Enlarged Group's business, financial condition and results of future operations could be materially adversely affected. In such cases, the market price of the New Ordinary Shares could decline and an investor may lose part or all of his, her or its investment.

Additional risks and uncertainty not presently known to the Directors and Proposed Directors, or which the Directors and Proposed Directors currently deem immaterial, may also have an adverse effect upon the Company or the Enlarged Group. In addition to the usual risks associated with an investment in a company, the Directors and Proposed Directors consider the following risk factors to be significant to potential investors:

A. RISKS RELATING TO THE ENLARGED GROUP

Early Stage of Operations

The Enlarged Group's product portfolio will largely be at an early stage of development. The commencement of the Enlarged Group's material revenues is difficult to predict and there is no guarantee that the Enlarged Group will generate any material revenues in the foreseeable future. The Enlarged Group has a limited operating history upon which its performance and prospects can be evaluated and faces the risks frequently encountered by developing companies. The risks include the uncertainty as to which areas to target for growth. There can be no assurance the Enlarged Group's products will be favourably received by the market or that the Enlarged Group's proposed operations will be profitable or produce a reasonable return, if any, on investment.

Research and Development risk

The Enlarged Group will be engaged in developing novel products in addition to the dCELL® Vascular Patch**.** The Enlarged Group will therefore be involved in complex scientific and stringent regulatory areas and industry experience indicates a very high incidence of delay or failure to produce results. The Enlarged Group may not be able to develop new technology solutions or identify specific market needs. The ability of the Enlarged Group to develop new technology may rely partly on the recruitment of appropriately qualified staff as the Enlarged Group grows. The Enlarged Group may be unable to find a sufficient number of appropriately highly trained individuals to satisfy its growth rate which could affect its ability to develop new technologies as planned.

Regulatory Risk

Regulatory approval timelines can be affected by a number of factors such as trial recruitment rates, clinical results and changes to regulatory requirements which are entirely outside the control of the Enlarged Group.

The possible regulatory approval of Tissue Regenix's lead product in Europe are no guarantee for approval in the US. The FDA could impose additional requirements which would cause delay in the submission of the filing for licenses and in obtaining marketing authorization.

Reliance on the founding scientists

The Enlarged Group's future research programme may depend on the involvement and contribution of the founding scientists, Professor Eileen Ingham, and Professor John Fisher.

Intellectual Property Protection

To some extent the commercial success of the Enlarged Group may depend on its ability to protect and exercise its Intellectual Property Rights so as to preserve the exclusive rights in respect of the dCELL® Technology and to preserve the confidentiality of its Know-How. The Enlarged Group may not be able to protect and preserve its Intellectual Property Rights or to exclude competitors with competing technologies or competing products made through different processes. Patent Families 1 and 2 are claim processes for the production of products and do not contain any product claims. Enforcement of process related claims can be difficult.

The Enlarged Group will seek to rely on patents to protect its market position. Patents are a monopoly right and are territorial. They grant to the successful applicant the exclusive right in the country or territory in which the patent is granted to prevent others from, amongst other things, making, offering, putting on the market or using a product, which is the subject matter of a patent, and from using a process which is the subject matter of a patent. Because of their territorial nature patents do not grant the owner any rights in any countries outside those in which the patent is granted.

No assurance can be given that others will not gain access to the Enlarged Group's unpatented proprietary technology or Know-How and/or disclose such technology or Know-How or that the Enlarged Group can ultimately protect meaningful rights to such un-patented technology or Know-How. No assurance can be given that the claims of patents will be fully upheld by a court. Part of the Enlarged Group's patent portfolio (the current status of which is set out in Part II of this document) comprises some applications for patents. There is no guarantee the Enlarged Group will obtain patents for inventions in which patent applications have been or will be filed, or that it will develop other patentable products or processes. In addition, there can be no assurance that any future patents will prevent other persons or companies from developing similar products or that other persons or companies will not be issued patents that may prevent the sale of Enlarged Group's products or that will require licensing and the payment of significant fees or royalties by the Enlarged Group.

Once granted, a patent can be challenged both in the patent office and in the courts by third parties. Third parties can bring material and arguments which the patent office granting the patent may not have seen. Therefore, issued patents may be found by a court of law or by the patent office to be invalid or unenforceable or in need of further restriction.

Furthermore, issued patents may be held by a court of law to be invalid or unenforceable. Patent litigation is costly and time consuming and there can be no assurance that the Enlarged Group will have, or will be able to devote, sufficient resources to pursue such litigation. Potentially unfavourable outcomes in such proceedings could limit the Enlarged Group's Intellectual Property Rights and activities. The term of a patent is, generally speaking, fixed. Time expended in research and development on a product will reduce the period of exclusivity afforded to any marketed product by any patent.

No assurances can be given that any pending or future trade mark applications will result in granted trade mark registrations, that the scope of any copyright or trademark protection will exclude competitors or provide advantages to the Enlarged Group and that third parties will not in the future claim rights in or ownership of the copyright, patents and other proprietary rights from time to time held by the Enlarged Group.

Further, there can be no assurances that others have not developed or will not develop similar or competing products, duplicate any of the products of the Enlarged Group or design around any pending patent

application or patents (if any) subsequently granted in favour of the Enlarged Group. Other persons may hold or receive patents which contain claims having a scope that covers products developed by the Enlarged Group (whether or not patents are issued to the Enlarged Group).

Risks arise where third parties own relevant Intellectual Property Rights which may cover the Enlarged Group's activities. The commercial success of the Enlarged Group may also depend in part on the Enlarged Group not infringing Intellectual Property Rights owned by third parties. If this is the case or is likely to be the case, the Enlarged Group may have to obtain appropriate licences of the third party's Intellectual Property Rights or challenge the validity of such Intellectual Property Rights in the courts. Alternatively, the Enlarged Group may have to cease certain activities or processes or alter them or develop or obtain alternative products and processes, so as to avoid the third party rights. Developing such alternatives can be costly and time consuming and may require substantial unanticipated resource. If a third party asserts infringement claims in the courts, (even if without merit) then this could be costly and/or take up valuable management time. Where the Enlarged Group benefits from any licences of third party Intellectual Property Rights, then it may lose that licence unless it complies with its terms.

A substantial cost may be incurred if the Enlarged Group is required to defend its Intellectual Property Rights including any patents or trade marks against third parties. There is no assurance that any obligations to maintain the confidentiality of the Enlarged Group's Know-How will not be breached or that the Know-How will otherwise become publicly known. Any proceedings or actions taken in respect of any breach of obligations of confidentiality may not be successful. There is no assurance that any of the Enlarged Group's Intellectual Property Rights pertaining to its Know-How will not be infringed by a third party or that any proceedings or actions taken in respect of any such breach will be successful. The commercial success of the Enlarged Group may also depend in part on non-infringement by the Enlarged Group of Intellectual Property Rights owned by third parties, including compliance by the Enlarged Group with the terms of any licenses granted to it. If this is the case, the Enlarged Group may have to obtain appropriate intellectual property licenses or cease or alter certain activities or processes or develop or obtain alternative products or challenge the validity of such intellectual property in the courts.

Any claims made against the Enlarged Group's Intellectual Property Rights, even without merit, could be time consuming and expensive to defend and could have a materially detrimental effect on the Enlarged Group's resources. A third party asserting infringement claims against the Enlarged Group and its customers could require the Enlarged Group to cease the infringing activity and/or require the Enlarged Group to enter into licensing and royalty arrangements. The third party could also take legal action which could be costly. In addition, the Enlarged Group may be required to develop alternative non-infringing solutions that may require significant time and substantial unanticipated resources. There can be no assurance that such claims will not have a material adverse effect on the Enlarged Group's business, financial condition or results.

Competition

The Enlarged Group may face significant competition from organisations which have greater capital resources than the Enlarged Group and/or which have a prudent offering competitive to that of the Enlarged Group, to the detriment of the Enlarged Group. There is no assurance that the Enlarged Group will be able to compete successfully in the market place in which it seeks to operate.

Dependence on arrangements with third parties

The Enlarged Group may enter into arrangements with third parties (includes manufacturers, suppliers and licensees) in respect of the development, production, marketing and commercialisation of its products where appropriate. An inability to enter into such arrangements or disagreements between the Enlarged Group and any such third parties could lead to delays in the Enlarged Group's product development and/or commercialisation plans.

Risk that the products will not achieve commercial success

At Admission, the Enlarged Group will not have any products available for sale. There can be no assurance that any of the Enlarged Group's products currently in development will be successfully developed into any commercially viable product or products, meet applicable regulatory standards and/or be manufactured in

commercial quantities at an acceptable expense or be marketed successfully and profitably. If the Enlarged Group or its collaborators encounter delays at any stage of development and fail to successfully address such delays there may be a material adverse effect on the Enlarged Group's business, financial condition and results.

In addition, the success of the Enlarged Group will depend on the market's acceptance of its products and there can be no guarantee that this acceptance will be forthcoming or that the Enlarged Group's products will succeed as an alternative to other new or existing products. The development of a market for such products is affected by many factors, some of which are beyond the Enlarged Group's control, including the emergence of newer, more successful technologies and products and the cost of the Enlarged Group's products themselves. Notwithstanding the technical merits of a product developed by the Enlarged Group, there can be no guarantee that the Enlarged Group's targeted customer base for the product will purchase or continue to purchase the product. If a market fails to develop or develops more slowly than anticipated, the Enlarged Group may be unable to recover the losses it may have incurred in the development of its products and may never achieve profitability. In addition, the Continuing Board cannot guarantee that the Enlarged Group will continue to develop, manufacture or market its products if market conditions do not support the continuation of such product.

B. GENERAL RISKS

Taxation

Any change in the Company's tax status or in taxation legislation could affect the Company's ability to provide returns to Shareholders or alter post tax returns to Shareholders. Statements in this document concerning the taxation of investors in New Ordinary Shares are based on current tax law and practice which is subject to change. The taxation of an investment in the Company depends on the individual circumstances of Shareholders.

Volatility of New Ordinary Share price

The Placing Price and the value ascribed to the Consideration Shares may not be indicative of the market price for the New Ordinary Shares following Admission. The subsequent market price of the New Ordinary Shares may be subject to wide fluctuations in response to many factors, including those referred to in this Part III, as well as stock market fluctuations and general economic conditions or changes in political sentiment that may substantially affect the market price of the New Ordinary Shares irrespective of the Enlarged Group's actual financial, trading or operational performance. These factors could include the performance of the Enlarged Group, large purchases or sales of the New Ordinary Shares (or the perception that the same may occur, as, for example in the period leading up to the expiration of the various lock-in agreements to which certain Shareholders are subject), legislative changes and market, economic, political or regulatory conditions.

Liquidity of New Ordinary Shares

Admission to AIM should not be taken as implying that a liquid market for the New Ordinary Shares will either develop or be sustained following Admission. The liquidity of a securities market is often a function of the volume of the underlying New Ordinary Shares that are publicly held by unrelated parties. If a liquid trading market for the New Ordinary Shares does not develop, the price of the New Ordinary Shares may become more volatile and it may be more difficult to complete a buy or sell order for such New Ordinary Shares.

Official List

The New Ordinary Shares will be traded on AIM rather than the Official List. The rules of AIM are less demanding than those of the Official List and an investment in New Ordinary Shares traded on AIM may carry a higher risk than an investment in New Ordinary Shares quoted on the Official List. In addition, the market in the New Ordinary Shares on AIM may have limited liquidity, making it more difficult for an investor to realise its investment on AIM than to realise an investment in a company whose shares are quoted on the Official List. Investors should therefore be aware that the market price of the New Ordinary Shares

may be more volatile than that of shares quoted on the Official List, and may not reflect the underlying value of the net assets of the Enlarged Group. Investors may therefore not be able to sell at a price which permits them to recover their original investment.

No guarantee as to future performance

There is no certainty and no representation or warranty is given by any person that the Enlarged Group will be able to achieve any level of performance referred to in this document, whether express or implied. This may adversely affect the Enlarged Group's financial condition, prospects or the market price of the New Ordinary Shares.

Legislation and compliance

This document has been prepared on the basis of current legislation, rules and practice and the Directors' and the Proposed Directors' interpretation thereof. Such interpretation may not be correct and it is always possible that legislation, rules and practice may change.

Forward-looking statements

Certain statements contained in this document may constitute forward-looking statements. Any such forward-looking statements involve risks, uncertainties, and other factors that may cause the actual results, performance or achievements of the Enlarged Group to be materially different from any results, performance or achievements expressed or implied by such forward-looking statements. These forward-looking statements speak only as of the date of this document. The Enlarged Group, the Directors and the Proposed Directors expressly disclaim any obligation or undertaking to release publicly any updates or revisions to any forward-looking statement contained herein, save as required to comply with any legal or regulatory obligations to reflect any change in the Continuing Board's expectations with regard thereto or any change in events, conditions or circumstances on which any such statement is based.

Additional capital and dilution

The Directors and the Proposed Directors anticipate that the Enlarged Group will require, in the medium to long term, additional capital in order to develop products and to enable them to be brought to market. If the Enlarged Group fails to generate sufficient cash through the sale or distribution of its products or the licensing of the dCELL® Technology, then it may need to raise additional capital in the future, whether from equity or debt sources,to fund such expansion and development. If the Enlarged Group is unable to obtain this financing on terms acceptable to it then it may be forced to curtail its planned development. If additional funds are raised through the issue of new equity or equity-linked securities of the Company other than on a pro rata basis to existing Shareholders, the percentage ownership of such Shareholders may be substantially diluted. There is no guarantee that the then prevailing market conditions will allow for such a fundraising or that new investors will be prepared to subscribe for New Ordinary Shares at the same price as the Placing Price or higher.

Dividends

There can be no assurance as to the level of any future dividends. The declaration, payment and amount of any future dividends of the Company are subject to the discretion of the Shareholders or, in the case of interim dividends, to the discretion of the directors of the Company at the time in question, and will depend upon, among other things, the Enlarged Group's earnings, financial position, cash requirements, availability of profits, as well as provisions for relevant laws or generally accepted accounting principles from time to time.

PART IV

INFORMATION ON THE CONCERT PARTY

The parties described in this Part IV are deemed to be acting in concert under the terms of the Code.

ORA Concert Party

	No. of Existing Ordinary Shares	*%. of Existing Ordinary Shares*	*No. of Consideration Shares*	*No. of New Ordinary Shares post issue of the Consideration Shares and the Share Consolidation*	*%. of New Ordinary Shares post issue of the Consideration Shares*	*No. of Placing Shares*	*No. of New Ordinary Shares following Admission*	*% of Enlarged Issued Share Capital*
ORA	271,500,000	45.25%	226,212,439	99,542,487	27.65%	29,892,989	129,435,476	27.73%
Robert Quested	55,000,000	9.17%	–	11,000,000	3.06%	1,833,333	12,833,333	2.75%
Richard Griffiths[(1),(4)]	22,000,000	3.67%	–	4,400,000	1.22%	20,000,000	24,400,000	5.23%
Michael Bretherton[(1),(2),(5)]	2,000,000	0.33%	–	400,000	0.11%	800,000	1,200,000	0.26%
Beatrice Hollond[(1)]	500,000	0.08%	–	100,000	0.03%	200,000	300,000	0.06%
Annnabel Ede-Golightly[(3)]	1,500,000	0.25%	–	300,000	0.08%	–	300,000	0.06%
James Ede-Golightly[(1),(2)]	–	0.00%	–	–	0.00%	200,000	200,000	0.04%
William Orgee	–	0.00%	–	–	0.00%	1,000,000	1,000,000	0.21%
Nikki Cooper	–	0.00%	–	–	0.00%	40,000	40,000	0.01%
	352,500,000	58.75%	226,212,439	115,742,487	32.15%	53,966,322	169,708,809	36.36%

Notes:

1. Richard Griffiths, Michael Bretherton, James Ede-Golightly and Beatrice Hollond are directors of ORA, which owns 100 per cent. of the issued share capital of ORA Guernsey.
2. Michael Bretherton and James Ede-Golightly are also directors of ORA Guernsey.
3. Annabel Ede-Golightly is the mother of James Ede-Golightly.
4. Includes 4,400,000 New Ordinary Shares representing 0.94 per cent. (following Admission) held directly by Richard Griffiths (including family holdings) whereby Mr. Griffiths controls the voting rights over these shares. The balance of 20,000,000 New Ordinary Shares representing 4.29 per cent. (following Admission) are held indirectly through a derivative financial instrument with Cantor Index Limited ("CIL"). Mr. Griffiths has no voting rights over these 20,000,000 New Ordinary Shares and has no influence how these shares are voted. Mr. Griffiths' interest in these New Ordinary Shares is purely economic as to whether they increase or decrease in value. The derivative financial instrument works as follows:

   On 27 May 2010, Richard Griffiths instructed CIL to subscribe for 20,000,000 New Ordinary Shares at the Placing Price pursuant to the Placing and to open a spot equity spread bet contract for the same number of New Ordinary Shares at a traded price of 5p per share upon the issue of the Placing Shares. Under the terms of the spot equity spread bet contract Mr. Griffiths is required to put up a cash margin payment and to pay a LIBOR based interest funding spread charge on the £1,000,000 traded value of his 20,000,000 New Ordinary Shares position as well as to pay an execution commission on both the opening and the closing of the spread bet contract. Mr. Griffiths is able to close the spot equity spread bet contract with CIL on any business day during business hours and he stands to make gains to the extent that the market bid price for New Ordinary Shares exceeds 5p and, similarly, to make losses where the market bid price is less than 5p.
5. The holdings of Michael Bretherton will, following Admission, include 600,000 New Ordinary Shares held jointly by him and the Tissue Regenix Group Plc Employee Benefit Trust.

As the Concert Party will, immediately after Admission, be interested in more than 30 per cent. of the voting rights of the Company but less than 50 per cent. of the voting rights of the Company then if any member of the Concert Party were to acquire any additional New Ordinary Shares which increases the percentage of voting rights held by the Concert Party (or any person deemed to be acting in concert with it), then the Concert Party will normally be obliged to make a general offer, in cash, to all the Shareholders pursuant to Rule 9.

Other than under the Placing, neither ORA Guernsey, nor any person who would be deemed to be acting in concert with it, has purchased Ordinary Shares during the 12 months immediately preceding the date of this document.

ORA has entered into the Restated Relationship Agreement with the Company under which it has, *inter alia*, agreed that the Board can amongst other things operate on an independent basis in considering any proposed arrangements or contracts between any member of the ORA Group and the Company. Michael Bretherton is part of Concert Party and will therefore abstain from voting on any such arrangements or contracts at any Board meeting of the Company. Further details of the Restated Relationship Agreement are set out in paragraph 12 of Part VII of this document. The Concert Party is principally based at PO Box 19 Albert House, South Esplanade, St. Peter Port, Guernsey, GY1 3AJ.

ORA Guernsey and ORA

ORA Guernsey is a company incorporated and domiciled in Guernsey and is a wholly owned subsidiary of ORA. ORA is a holding and management company, incorporated and domiciled in Guernsey, the principal activity of which is the development and growth of trading businesses within the technology, resources and financial services sectors. ORA may also develop businesses in other sectors that provide appropriate value enhancing opportunities.

The following directors of ORA Guernsey also own shares directly in the Company: Michael Bretherton.

The following directors of ORA Guernsey's parent company, ORA, also own shares in the Company: Richard Griffiths, Beatrice Hollond and Michael Bretherton.

Richard Griffiths

Richard has common employer history with the following shareholders of the Company – Michael Bretherton (ORA) and Beatrice Hollond (ORA). Richard is also a director of ORA.

Beatrice Hollond

Beatrice has common employer history with the following shareholders of the Company – Michael Bretherton (ORA) and Richard Griffiths (ORA). Beatrice is also a director of ORA.

Michael Bretherton

Michael is a director of the Company and a director of both the Company's major shareholder, ORA Guernsey, and ORA Guernsey's parent company, ORA. Michael has common employer history with the following shareholders of the Company: Richard Griffiths (ORA), James Ede-Golightly (ORA) and Beatrice Hollond (ORA).

James Ede-Golightly

James has common employer history with the following shareholders of the Company – Michael Bretherton (ORA), Beatrice Holland (ORA) and Richard Griffiths (ORA). James is also a director of ORA Guernsey and ORA.

Robert Quested

Robert is deemed to be acting in concert with ORA Guernsey solely by virtue of him having an interest of greater than 20 per cent. in the total issued share capital of ORA Guernsey's parent company, ORA.

Annabel Ede-Golightly

Annabel is the mother of James Ede-Golightly, a director of both ORA Guernsey and its parent company, ORA. James Ede-Golightly was not a director of ORA Guernsey or ORA when the Concert Party was formed in June 2007 following the acquisition of Oxray Limited by the Company in June 2007. James became a director of ORA Capital on 27 October 2007.

William Orgee

William is an employee of Ora Capital, a wholly owned subsidiary of ORA.

Nikki Cooper

Nikki is an employee of Ora Capital, a wholly owned subsidiary of ORA.

INFORMATION ON ORA GUERNSEY AND ORA

1. Incorporation and registered office

1.1 ORA Guernsey was incorporated and registered in Guernsey with registered number 49949 on 23 January 2009.

1.2 ORA Guernsey is domiciled in Guernsey. The registered office and principal place of business of ORA is Albert House PO Box 19, South Esplanade, St. Peter Port, Guernsey, GY1 3AJ.

1.3 ORA Guernsey's principal activity is that of a holding company.

1.4 ORA was incorporated and registered in Guernsey with registered number 49907 on 12 January 2009. On 16 March 2009, ORA was admitted to trading on AIM.

1.5 ORA is domiciled in Guernsey. The registered office and principal place of business of ORA is PO Box 19, Albert House, South Esplanade, St. Peter Port, Guernsey, GY1 3AJ.

1.6 ORA is a holding and management company, the principal activity of which is the development and growth of trading businesses within the technology, resources and financial services sectors. ORA may also develop businesses in other sectors that provide appropriate value enhancing opportunities.

2. Share Capital

2.1 ORA Guernsey has an unlimited authorised share capital, of which two ordinary shares had been issued to ORA at the date of this document.

2.2 ORA has an authorised share capital of £1,750,000 divided into 175,000,000 ordinary shares of 1 pence each of which 100,000,000 had been issued at the date of this document.

3. No adverse material change

In the opinion of the directors of ORA Guernsey and ORA, there has been no adverse material change in the financial position of ORA Guernsey or ORA since 31 January 2010 (being the date to which the latest audited accounts of ORA were prepared).

Changes to the Concert Party from circular to shareholders of the Company dated 6 June 2007 seeking shareholder approval for a waiver of the requirements of Rule 9 of the City Code in relation to the acquisition of Oxray Limited

(1) IPX Global, Professor Stephen Davies, David Watkins and John Montgomery all sold their Ordinary Shares in December 2009.

(2) The ORA Group was reorganised in March 2009 and, following such reorganisation, the shares in the Company that were previously held by ORA Capital are now held by ORA Guernsey, another company in the ORA Group.

(3) David Norwood resigned from his post as a director of the Company, IP Group plc and ORA Capital effective 31 December 2008. The Panel have opined that David Norwood is no longer acting in concert with either ORA Guernsey (or any other company in the ORA Group) or IP Group plc (or any other company in the IP Group plc group of companies and any funds managed by any such group company) and therefore due to this ruling ORA Guernsey and IP Group are no longer deemed to be acting in concert with each other. The Panel has reserved their right at the time to revisit the point should any new information come to light.

(4) Bainunah Trading Limited which previously owned 76,000,000 Ordinary Shares transferred 55,000,000 of those shares to Kinsale Management Limited, a company controlled by Robert Quested

on 18 December 2009. The remainder of the shares were sold by Bainunah Trading Limited between August 2009 and December 2009.

(5) James Ede-Golightly did not hold any Ordinary Shares at 6 June 2007.

(6) Annabel Ede-Golightly did hold Ordinary Shares at 6 June 2007, however, her son James Ede-Golightly was not a director of ORA Capital at that time. James Ede-Golightly was appointed as a director of ORA Capital on 27 October 2007.

(7) Nikki Cooper did not hold any Ordinary Shares at 6 June 2007.

(8) William Orgee was not an employee of ORA nor a shareholder of the Company as at 6 June 2007.

PART V

FINANCIAL INFORMATION ON TISSUE REGENIX LIMITED

SECTION A: ACCOUNTANT'S REPORT

The following is the full text of a report on Tissue Regenix Limited from Baker Tilly Corporate Finance LLP, the Reporting Accountants, to the Directors of Oxeco plc.

The Directors
Oxeco plc
17 Hanover Square
London
W1S 1HU

2 Bloomsbury Street
London WC1B 3ST
www.bakertilly.co.uk

3 June 2010

Dear Sirs,

Tissue Regenix Limited ("Tissue Regenix")

We report on the financial information set out in Part V, Section B. This financial information has been prepared for inclusion in the admission document dated 3 June 2010 ("Admission Document") of Oxeco plc ("the Company") on the basis of the accounting policies set out in note 1.

This report is made solely for the purposes of paragraph 20.1 of Annex I of the Prospectus Rules as if they had been applied by part (a) of Schedule Two to the AIM Rules. Our audit work has been undertaken so that we might state those matters we are required to state in an accountants' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than a person as and to the extent provided by paragraph 20.1 of Annex I of the Prospectus Rules as if it had been applied by part (a) of Schedule Two to the AIM Rules, for our audit work, for this report, or for the opinions we have formed or consenting to its inclusion in the Admission Document.

Responsibilities

As described in note 1 the directors of the Company ("Directors") are responsible for preparing the financial information on the basis of preparation set out in note 1 to the Historical Financial Information and in accordance with International Financial Reporting Standards as adopted by the European Union.

It is our responsibility to form an opinion as to whether the financial information gives a true and fair view, for the purposes of the Admission Document, and to report our opinion to you.

Basis of opinion

We conducted our work in accordance with the Standards for Investment Reporting issued by the Auditing Practices Board in the United Kingdom. Our work included an assessment of evidence relevant to the amounts and disclosures in the financial information. It also included an assessment of significant estimates and judgments made by those responsible for the preparation of the financial information and whether the accounting policies are appropriate to the entity's circumstances, consistently applied and adequately disclosed.

We planned and performed our work so as to obtain all the information and explanations we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial information is free from material misstatement whether caused by fraud or other irregularity or error.

Opinion

In our opinion, the financial information gives, for the purposes of the Admission Document, a true and fair view of the state of affairs of Tissue Regenix Limited as at the dates stated and of its losses, cash flows and changes in equity for the periods then ended in accordance with the basis of preparation set out in note 1 and in accordance with International Financial Reporting Standards as adopted by the European Union as described in note 1.

Our work has not been carried out in accordance with auditing or other standards and practices generally accepted in any jurisdictions other than the United Kingdom and accordingly should not be relied upon as if it had been carried out in accordance with those other standards and practices.

Declaration

For the purposes of part (a) of Schedule Two to the AIM Rules we are responsible for this report as part of the Admission Document and declare that we have taken all reasonable care to ensure that the information contained in this report is, to the best of our knowledge, in accordance with the facts and contains no omission likely to affect its import.

Yours faithfully

Baker Tilly Corporate Finance LLP
Regulated by the Institute of Chartered Accountants in England and Wales

Baker Tilly Corporate Finance LLP is a limited liability partnership registered in England and Wales, registered no. OC325347. A list of the names of members is open to inspection at the registered office 2 Bloomsbury Street London WC1B 3ST.

SECTION B: HISTORICAL FINANCIAL INFORMATION OF TISSUE REGENIX

Statement of comprehensive income

	Notes	*5 May 2006 to 31 July 2007 £000*	*Year to 31 July 2008 £000*	*Year to 31 July 2009 £000*	*Six months to 31 January 2010 £000*
Revenue		–	–	16	74
Administrative expenses		(157)	(651)	(1,507)	(877)
Operating loss	3	(157)	(651)	(1,491)	(803)
Finance Income	6	7	75	76	64
Loss before taxation		(150)	(576)	(1,415)	(739)
Taxation	7	–	14	198	75
Total comprehensive income for the period		(150)	(562)	(1,217)	(664)
Attributable to:					
Owners of Tissue Regenix		(150)	(562)	(1,217)	(664)

The loss for each period arises from Tissue Regenix's continuing operations. No other comprehensive income was received in any of the periods other than that recognised within the statement of comprehensive income.

Statement of changes in equity

	Attributable to the owners of Tissue Regenix				
	Share Capital £000	*Share Premium £000*	*Retained Deficit £000*	*Share Based Reserve £000*	*Total Equity £000*
As at 5 May 2006	–	–	–	–	–
Loss for the period	–	–	(150)	–	(150)
Issue of shares	–	685	–	–	685
As at 31 July 2007	–	685	(150)	–	535
Loss for the year	–	–	(562)	–	(562)
Issue of shares		3,300	–	–	3,300
Expenses on issue of shares	–	(106)	–	–	(106)
As at 31 July 2008	–	3,879	(712)	–	3,167
Loss for the year	–	–	(1,217)	–	(1,217)
As at 31 July 2009	–	3,879	(1,929)	–	1,950
Loss for the period	–	–	(664)	–	(664)
Share based expense	–	–	–	1	1
As at 31 January 2010	–	3,879	(2,593)	1	1,287

Statement of financial position

	Notes	*31 July 2007 £000*	*31 July 2008 £000*	*31 July 2009 £000*	*31 January 2010 £000*
Assets					
Non-current assets					
Property, plant and equipment	8	3	21	130	135
		3	21	130	135
Current assets					
Trade and other receivables	9	3	35	213	255
Cash and cash equivalents	10	551	3,227	1,797	1,083
		554	3,262	2,010	1,338
Total assets		557	3,283	2,140	1,473
Liabilities					
Current liabilities					
Trade and other payables	11	(22)	(116)	(190)	(186)
Total liabilities		(22)	(116)	(190)	(186)
Net assets		535	3,167	1,950	1,287
Equity					
Attributable to the owners of Tissue Regenix					
Share capital	12	–	–	–	–
Share premium	13	685	3,879	3,879	3,879
Share based reserve		–	–	–	1
Retained deficit		(150)	(712)	(1,929)	(2,593)
Net equity		535	3,167	1,950	1,287

Statement of cash flows

	Notes	*5 May 2006 to 31 July 2007 £000*	*Year to 31 July 2008 £000*	*Year to 31 July 2009 £000*	*Six months to 31 January 2010 £000*
Operating activities					
Loss before tax		(150)	(576)	(1,415)	(739)
Adjustments for non-cash items:					
Depreciation of plant and equipment	8	–	3	17	18
Share based payment		–	–	–	1
(Increase)/decrease in trade and other receivables		(3)	(32)	(28)	33
Increase/(decrease) in trade and other payables		22	94	74	(4)
Interest received	6	(7)	(75)	(76)	(64)
Cash used in operations		(138)	(586)	(1,428)	(755)
Tax refund		–	14	48	–
Net cash outflow from operations		(138)	(572)	(1,380)	(755)
Investing activities					
Purchase of property, plant and equipment	8	(3)	(21)	(131)	(23)
Proceeds from sale of property, plant and equipment		–	–	5	–
Interest received	6	7	75	76	64
Net cash in/(out)flow from investing activities		4	54	(50)	41
Financing activities					
Proceeds from issue of share capital	12, 13	685	3,300	–	–
Expenses of issue of share capital	13	–	(106)	–	–
Net cash inflow from financing activities		685	3,194	–	–
Increase/(decrease) in cash and cash equivalents		551	2,676	(1,430)	(714)
Cash and cash equivalents at start of period		–	551	3,227	1,797
Cash and cash equivalents at end of period	10	551	3,227	1,797	1,083

1. ACCOUNTING POLICIES

Basis of Accounting

The financial information has been prepared by the directors of the Company in accordance with International Financial Reporting Standards ("IFRS") and International Accounting Standards as issued by the International Accounting Standards Board ("IASB") as well as interpretations issued by the International Financial Reporting Interpretations Committee ("IFRIC") as adopted by the European Union.

Income and expenses have been presented in one statement, a statement of comprehensive income, which is separate from owner changes in equity, as required by IFRS 1. Components of other comprehensive income, being items of income and expense not recognised in profit or loss as permitted by other IFRS, are also displayed in the statement of comprehensive income.

Historical Cost Convention

The financial information has been prepared on the historic cost basis and in accordance with the going concern basis. The principal accounting policies applied are set out below.

Segmental Reporting

The reportable disclosures are identified by the chief operating decision maker by the way management has organised Tissue Regenix. Tissue Regenix operates out of one location and develops one product.

The chief operating decision maker reviews the performance of Tissue Regenix based on total costs and not by any segmental reporting.

Revenue

Revenue is measured as the fair value of the consideration received or receivable in the normal course of business, net of discounts, VAT and other sales related taxes and is recognised to the extent that it is probable that the economic benefits associated with the transaction will flow in to Tissue Regenix.

To date Tissue Regenix's revenue relates to grant income recognised. Grant income is recognised as earned based on contractual conditions, generally as expenses are incurred.

Foreign Currencies

Transactions in foreign currencies are initially recorded at the rates of exchange prevailing on the dates of the transactions. At each reporting date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting date. Gains and losses arising on retranslation are charged to profit or loss as they are incurred.

The functional and presentational currency of Tissue Regenix is British pounds.

Research and Development

Research costs are charged to profit or loss as they are incurred. Certain development costs are capitalised as intangible assets when it is probable that the future economic benefits will flow to Tissue Regenix. Such intangible assets are amortised on a straight-line basis from the point at which the assets are ready for use over the period of the expected benefit, and are reviewed for an indication of impairment at each reporting date. Other development costs are charged against profit or loss as incurred since the criteria for their recognition as an asset are not met.

The criteria for recognising expenditure as an asset are:

- it is technically feasible to complete the product;
- management intends to complete the product and use or sell it;
- there is an ability to use or sell the product;
- it can be demonstrated how the product will generate probable future economic benefits;

- adequate technical, financial and other resources are available to complete the development, use or sell the product; and
- expenditure attributable to the product can be reliably measured.

The costs of an internally generated intangible asset comprise all directly attributable costs necessary to create, produce and prepare the asset to be capable of operating in the manner intended by management. Directly attributable costs include employee costs incurred on technical development, testing and certification, materials consumed and any relevant third party cost. The costs of internally generated developments are recognised as intangible assets and are subsequently measured in the same way as externally acquired intangible assets. However, until completion of the development project, the assets are subject to impairment testing only.

No research and development costs have been capitalised to date.

Leases

Rental payable under operating leases, which are leases where the lessor retains a significant proportion of the risks and benefits of the asset are charged in the income statement on a straight line basis over the expected lease term.

Property, Plant and Equipment

Property, plant and equipment assets are stated at historical cost.

Depreciation is provided on all property, plant and equipment assets at rates calculated to write each asset down to its estimated residual value evenly over its expected useful life, as follows:

Laboratory equipment	over 5 years
Computer equipment	over 3 years
Office furniture and equipment	over 5 years

Impairment of Property, Plant and Equipment

At each reporting date, Tissue Regenix reviews the carrying amounts of its property, plant and equipment and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

Discounted cash flow valuation techniques are generally applied for assessing recoverable amounts using 3 year forward looking cash flow projections and terminal value estimates, together with discount rates appropriate to the risk of the related cash generating units.

If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognised as an expense immediately.

Share based Payments

Equity settled share-based payment transactions are measured with reference to the fair value at the date of grant, recognised on a straight line basis over the vesting period, based on Tissue Regenix's estimate of shares that will eventually vest. Fair value is measured using the Black-Scholes model.

At each reporting date before vesting, the cumulative expense is calculated, representing the extent to which the vesting period has expired and management's best estimate of the achievement or otherwise of non-market conditions and the number of equity instruments that will ultimately vest. The movement in cumulative expense since the previous reporting date is recognised in the statement of comprehensive income, with a corresponding entry in equity.

Financial Assets and Liabilities

Trade and other receivables

Trade and other receivables do not carry any interest and are initially recognised at fair value. They are subsequently measured at amortised cost using the effective interest rate method, less any provision for impairment.

Impairment provisions are recognised when there is objective evidence that Tissue Regenix will be unable to collect all of the amounts due under the terms receivable, the amount of such a provision being the difference between the net carrying amount and the present value of the future expected cash flows associated with the impaired receivable.

Trade and other payables

Trade and other payables are not interest bearing and are initially recognised at fair value. They are subsequently measured at amortised cost using the effective interest method.

Cash and cash equivalents

Cash and cash equivalents comprise cash at hand and deposits on a term of not greater than 3 months.

Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax from proceeds.

Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

The tax currently payable is based on taxable profit for the period. Tissue Regenix's liability for current tax is calculated by using tax rates that have been enacted or substantively enacted by the reporting date.

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amount of assets and liabilities in the financial information and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the balance sheet liability method.

Deferred tax liabilities are recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled using tax rates that have been enacted or substantively enacted by the reporting date. Deferred tax is charged or credited to profit or loss, except when it relates to items credited or charged directly to equity, in which case the deferred tax is also dealt with in equity.

Critical Accounting Estimates and Areas of Judgement

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Actual results may differ from these estimates. The estimates and assumptions that have the most significant effects on the carrying amounts of the assets and liabilities in the financial information are discussed below:

Equity settled share-based payments

The estimation of share-based payment costs requires the selection of an appropriate valuation method, consideration as to the inputs necessary for the valuation model chosen and the estimation of the number of awards that will ultimately vest, inputs for which arise from judgements relating to the future volatility of the share price of comparable companies, Tissue Regenix's expected dividend yields, risk free interest rates and expected lives of the options. The directors of Tissue Regenix draw on a variety of sources to aid in the determination of the appropriate data to use in such calculations.

Research and development costs

Careful judgment by the directors of Tissue Regenix is applied when deciding whether the recognition requirements for capitalising development costs have been met. This is necessary as the economic success of any product development is uncertain and may be subject to future technical problems. Judgments are based on the information available at each reporting date which includes the progress with testing and certification and progress on, for example, establishment of commercial arrangements with third parties. In addition, all internal activities related to research and development of new products are continuously monitored by the directors of Tissue Regenix. To date, no development costs have been capitalised.

Accounting Standards and Interpretations Not Applied

At the date of authorisation of the financial information, the following Standards and Interpretations relevant to the operations of Tissue Regenix, which have not yet been applied in this financial information, were in issue but not yet effective:

		Effective for periods commencing on or after
IFRS 2	Share based payments (amendments)	1 January 2010
IFRS 7	Statement of Cash Flows (amendments)	1 January 2010
IFRS 17	Leases (amendments)	1 January 2010
IFRS 32	Financial Instruments: Presentation (amendments)	1 February 2010
IFRS 36	Impairment of Assets (amendments)	1 January 2010
IFRS 38	Intangible Assets (amendments)	1 July 2009
IFRS 39	Financial Instruments: Recognition and Measurement (amendments)	1 July 2009

The directors of Tissue Regenix do not anticipate that the adoption of these Standards and Interpretations will have a material impact on the financial information of Tissue Regenix.

2. SEGMENTAL REPORTING

The chief operating decision maker is Antony Odell who reviews the reports of Tissue Regenix as one segment only. The review of Tissue Regenix's operating results is not broken down into other segments.

All of Tissue Regenix's costs and trials were all managed in the UK; all of Tissue Regenix's assets are held in the UK and all of its capital expenditure arises in the UK.

3. LOSS FROM OPERATIONS

	5 May 2006 to 31 July 2007 £000	*Year to 31 July 2008 £000*	*Year to 31 July 2009 £000*	*Six months to 31 January 2010 £000*
Loss from operations is stated after charging to administrative expenses:				
Depreciation of plant and equipment (see note 8)	–	3	17	18
Operating lease rentals – land and buildings	–	21	87	36
Other operating lease rentals				
Staff costs (see note 4)	74	151	538	361
Foreign exchange losses	–	–	6	4
Research and development (inclusive of research and development personnel)	110	395	952	423
Auditors remuneration:				
Fees payable to Tissue Regenix's auditor for the audit of Tissue Regenix's accounts	–	–	–	–

4. STAFF COSTS

	5 May 2006 to 31 July 2007 Number	*Year to 31 July 2008 Number*	*Year to 31 July 2009 Number*	*Six months to 31 January 2010 Number*
The average monthly number of persons (including directors) employed by Tissue Regenix during the period was:				
Directors of Tissue Regenix	4	6	9	8
Laboratory and administration staff	–	1	7	12
	4	7	16	21

	5 May 2006 to 31 July 2007 £000	*Year to 31 July 2008 £000*	*Year to 31 July 2009 £000*	*Six months to 31 January 2010 £000*
The aggregate remuneration, including directors, comprised:				
Wages and salaries	68	138	489	326
Share based expense (see note 5)	–	–	–	1
Social security costs	6	13	49	34
	74	151	538	361

5. SHARE BASED PAYMENTS

Tissue Regenix operates a share option plan, under which certain employees have been granted options to subscribe for ordinary shares. All options are equity settled. The options have an exercise price of between 1p to £160 and the vesting period between 1 and 4 years. If the options remain unexercised after a period of 10 years from the date of grant, the options expire. Tissue Regenix has no legal or constructive obligation to repurchase or settle the options in cash.

The number and weighted average exercise prices of share options are as follows:

	Number of share options			*Weighted average exercise price*
	EMI	*Unapproved*	*Total*	*per share (£)*
At 5 May 2006	–	–	–	–
Granted during the period	29	57	86	0.01
At 31 July 2007	29	57	86	0.01
Granted during the year	–	57	57	0.01
At 31 July 2008	29	114	143	0.01
Granted during the year	29	–	29	160
At 31 July 2009	58	114	172	27
Granted during the period	466	15	481	160
At 31 January 2010	524	129	653	125

There were no share options outstanding at 31 January 2010 which were eligible to be exercised. To date no share options have been exercised, lapsed or forfeited. In order for the options to vest Tissue Regenix must either be sold, acquired or admitted onto a stock exchange. There are no addition market based vesting conditions attached to any of the share options outstanding at 31 January 2010.

The fair value of services received in return for share options granted is measured by reference to the fair value of the share options granted. This is estimated based on the Black Scholes model which is considered most appropriate considering the effects of the vesting conditions, expected exercise price and the payment of the dividends by Tissue Regenix. The following table lists the inputs to the model used:

	Granted year to 31 July 2007	*Granted year to 31 July 2008*	*Granted year to 31 July 2009*	*Granted period to 31 January 2010*
Dividend yield	–	–	–	–
Expected volatility*	50%	50%	50%	50%
Risk free interest rate (%)	0.5	0.5	0.5	0.5
Expected vesting life of options (years)	4	3	2	1
Weighted average share price (£)	0.01	0.01	27	125

* Expected volatility is based on the similar start up technology companies.

Any share options which are not exercised within 10 years from the date of grant will expire.

A charge has been recognised in the statement of comprehensive income for each period as follows:

	Granted year to 31 July 2007 £000	*Granted year to 31 July 2008 £000*	*Granted year to 31 July 2009 £000*	*Granted period to 31 January 2010 £000*
Share based payments	–	–	–	1

6. FINANCE INCOME

	5 May 2006 to 31 July 2007 £000	*Year to 31 July 2008 £000*	*Year to 31 July 2009 £000*	*Six months to 31 January 2010 £000*
Bank interest receivable	7	75	76	64

7. TAXATION

	5 May 2006 to 31 July 2007 £000	Year to 31 July 2008 £000	Year to 31 July 2009 £000	Six months to 31 January 2010 £000
Current tax:				
UK corporation tax on losses of period	–	–	(150)	(75)
Tax credits received in respect of prior periods	–	(14)	(48)	–
	–	(14)	(198)	(75)
Deferred tax:				
Origination and reversal of temporary timing differences	–	–	–	–
Tax on loss on ordinary activities	–	(14)	(198)	(75)

The charge for the period can be reconciled to the loss before tax per the Statement of Comprehensive Income as follows:

	5 May 2006 to 31 July 2007 £000	Year to 31 July 2008 £000	Year to 31 July 2009 £000	Six months to 31 January 2010 £000
The tax assessed for the period varies from the small company rate of corporation tax as explained below:				
Loss on ordinary activities before tax	(150)	(576)	(1,415)	(739)
Tax at the standard rate of corporation tax (19%/20.33%/21%/21%)	(29)	(117)	(297)	(155)
Effects of:				
Expenses not deductable for tax purposes	–	(2)	4	3
Research and development tax credits received	–	(14)	(48)	–
Research and development enhancement	(5)	(28)	–	–
Unutilised tax losses	34	147	143	77
Tax credit for the period	–	(14)	(198)	(75)

	5 May 2006 to 31 July 2007 £000	Year to 31 July 2008 £000	Year to 31 July 2009 £000	Six months to 31 January 2010 £000
Tax losses				
Losses available to carry forward against future trading profits	162	857	1,538	1,905
Deferred tax asset – unrecognised*	34	181	324	401

* Tissue Regenix has not recognised a deferred tax asset relating to these losses as their recoverability is uncertain.

8. PROPERTY, PLANT AND EQUIPMENT

	Laboratory Equipment £000	*Fixtures & Fittings £000*	*Computer Equipment £000*	*Total £000*
Cost				
At 5 May 2006	–	–	–	–
Additions	–	–	3	3
At 31 July 2007	–	–	3	3
Additions	21	–	–	21
At 31 July 2008	21	–	3	24
Additions	88	32	11	131
Disposals	(7)	–	–	(7)
At 31 July 2009	102	32	14	148
Additions	22	–	1	23
At 31 January 2010	124	32	15	171

	Laboratory Equipment £000	*Fixtures & Fittings £000*	*Computer Equipment £000*	*Total £000*
Depreciation				
At 5 May 2006	–	–	–	–
Charge for the period	–	–	–	–
At 31 July 2007	–	–	–	–
Charge for the period	2	–	1	3
At 31 July 2008	2	–	1	3
Disposals	(2)	–	–	(2)
Charge for the period	13	1	3	17
At 31 January 2009	13	1	4	18
Charge for the period	14	2	2	18
At 31 January 2010	27	3	6	36
Net book value				
At 31 January 2010	97	29	9	135
At 31 July 2009	89	31	10	130
At 31 July 2008	–	–	21	21
At 31 July 2007	–	–	3	3

9. TRADE AND OTHER RECEIVABLES

	31 July 2007 £000	*31 July 2008 £000*	*31 July 2009 £000*	*31 January 2010 £000*
Other receivables	3	35	173	243
Prepayments and accrued income	–	–	40	12
	3	35	213	255

The directors of the Company consider that the carrying amount of trade and other receivables approximates to their fair value.

No provisions are held against receivables and no amounts past due have been impaired.

10. RISK MANAGEMENT OF FINANCIAL ASSETS AND LIABILITIES

Tissue Regenix's activities expose it to a variety of financial risks: market risk, specifically interest rate risk, credit risk and liquidity risk. Tissue Regenix's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on Tissue Regenix's financial performance.

The management of these risks is vested in the Board of Directors of Tissue Regenix. The policies for managing each of these risks are summarised below:

Management of market risk

(i) *Interest rate risk*

As Tissue Regenix has no significant borrowings the risk is limited to the potential reduction in interest received on cash surpluses held. Interest rate risk is managed in accordance with the liquidity requirement of Tissue Regenix, with a minimal amount of its cash surpluses held within an instant access account, which has a variable interest rate attributable to it, to ensure that sufficient funds are available to cover the working capital requirements of Tissue Regenix.

Interest rate sensitivity

The principal impact to Tissue Regenix is the result of interest-bearing cash and cash equivalent balances held as set out below:

	31 July 2007		
	Fixed rate	*Floating rate*	*Total*
	£000	*£000*	*£000*
Cash and cash equivalents	545	6	551

	31 July 2008		
	Fixed rate	*Floating rate*	*Total*
	£000	*£000*	*£000*
Cash and cash equivalents	3,224	3	3,227

	31 July 2009		
	Fixed rate	*Floating rate*	*Total*
	£000	*£000*	*£000*
Cash and cash equivalents	1,781	16	1,797

	31 January 2010		
	Fixed rate	*Floating rate*	*Total*
	£000	*£000*	*£000*
Cash and cash equivalents	1,075	8	1,083

Due to the high proportion of funds held on a fixed deposit, the impact of a 10 per cent. increase/decrease in interest rates would have an immaterial impact on the loss in each of the four periods.

Management of credit risk

Tissue Regenix is exposed to credit risk from its operating activities, it principally arises from short term bank deposits. Tissue Regenix seeks to minimise this risk by only depositing funds with banks with a minimum rating of ‘A’.

The maximum exposure to credit risk on Tissue Regenix's financial assets is represented by their carrying amounts as outlined in the categorisation of financial instruments table below.

Tissue Regenix does not consider that any changes in fair value of financial assets or liabilities in the year are attributable to credit risk.

	31 July 2007 £000	*31 July 2008 £000*	*31 July 2009 £000*	*31 January 2010 £000*
Cash and cash equivalents				
AA	551	3,224	1,781	19
A	–	3	16	1,064
	551	3,227	1,797	1,083

Management of liquidity risk

Tissue Regenix seeks to manage liquidity risk to ensure that sufficient liquidity is available to meet foreseeable needs and to invest cash assets safely and profitably. Tissue Regenix deems there is sufficient liquidity for the foreseeable future based upon the assumption that the proposed transaction takes place and an additional share subscription of £4.5 million is raised. If the transaction did not take place, and the additional funds not received, the business operations would be scaled back to ensure that Tissue Regenix has sufficient working capital available to continue operating for at least 12 months from the date the financial statements were signed.

No maturity analysis for financial liabilities is presented, as the directors of Tissue Regenix consider that liquidity risk is not material.

Tissue Regenix had cash and cash equivalents at each reporting date as set out below:

Capital risk management

Tissue Regenix manages its capital to ensure that Tissue Regenix will be able to continue as a going concern while maximising the return to stakeholders. Tissue Regenix's overall strategy is to minimise costs and liquidity risk.

The capital structure of Tissue Regenix consists of equity attributable to the owners of Tissue Regenix, comprising issued capital, reserves and retained earnings as disclosed in note 12 and 13 and in the Statement of Changes in Equity.

Categorisation of financial instruments

Financial assets/(liabilities)

	Loans and receivables £	*Financial liabilities at amortised cost £*	*Total £*
At 31 July 2007			
Trade and other receivables	3	–	3
Cash and cash equivalents	551	–	551
Trade and other payables	–	(19)	(19)
TOTAL	554	(19)	535

Financial assets/(liabilities)

	Loans and receivables	*Financial liabilities at amortised cost*	*Total*
	£	*£*	*£*
At 31 July 2008			
Trade and other receivables	35	–	35
Cash and cash equivalents	3,227	–	3,227
Trade and other payables	–	(111)	(111)
TOTAL	3,262	(111)	3,151

Financial assets/(liabilities)

	Loans and receivables	*Financial liabilities at amortised cost*	*Total*
	£	*£*	*£*
At 31 July 2009			
Trade and other receivables	8	–	8
Cash and cash equivalents	1,797	–	1,797
Trade and other payables	–	(169)	(169)
TOTAL	1,805	(169)	1,636

Financial assets/(liabilities)

	Loans and receivables	*Financial liabilities at amortised cost*	*Total*
	£	*£*	*£*
At 31 January 2010			
Trade and other receivables	5	–	5
Cash and cash equivalents	1,083	–	1,083
Trade and other payables	–	(166)	(166)
TOTAL	1,088	(166)	922

Tissue Regenix had no financial instruments measured at fair value through profit and loss.

11. TRADE AND OTHER PAYABLES

	31 July 2007	*31 July 2008*	*31 July 2009*	*31 January 2010*
	£000	*£000*	*£000*	*£000*
Trade payables	6	40	144	112
Other payables	–	70	3	–
Taxes and social security	3	6	21	20
Accruals	13	–	22	54
	22	116	190	186

The directors of the Company consider that the carrying amount of trade and other payables approximates to their fair value.

Trade payables, split by the currency they will be settled are shown below:

	31 July 2007 £000	*31 July 2008 £000*	*31 July 2009 £000*	*31 January 2010 £000*
Sterling	6	40	124	60
US Dollars	–	–	6	9
Euros	–	–	14	43
Trade payables	6	40	144	112

12. SHARE CAPITAL

	Number	*£000*
Authorised ordinary shares of 1p each:		
At 5 May 2006		
Authorised ordinary shares	10,000	–
At 31July 2007	10,000	–
Authorised ordinary shares	10,000	–
At 31 July 2008, 31 July 2009 and 31 January 2010	20,000	–
Allotted, issued and fully paid ordinary shares of 1p:		
At 5 May 2006	–	–
Issue of ordinary shares	5,740	–
At 31 July 2007	5,740	–
Issue of ordinary shares	5,209	–
At 31 July 2008, 31 July 2009 and 31 January 2010	10,949	–

Tissue Regenix was incorporated on 5 May 2006, on which date the authorised share capital was £10 divided into 1,000 ordinary shares of 1p, of which 1 ordinary share was issued at par value.

On 20 December 2006 the authorised share capital of Tissue Regenix was increased from £10 to £100 by the creation of 9,000 ordinary shares of 1p each.

On 20 December 2006 Tissue Regenix allotted and issued 2,999 ordinary shares of 1p each at par value. Following this issue Tissue Regenix issued a further 2,740 ordinary shares of 1p at £250 per share for a combination of cash proceeds and conversion of existing shareholder loans into equity, generating £685,000 of share premium (see note 13).

On 19 December 2007 Tissue Regenix passed a resolution to increase the authorised share capital of Tissue Regenix from £100 to £200 by the creation of 10,000 new shares of 1p each.

On 20 December 2007, Tissue Regenix issued 4,735 ordinary shares of 1p each for £3,000,000 generating a share premium of £2,999,953, (see note 13).

On 20 June 2008 Tissue Regenix issued a further 474 ordinary shares of 1p each for £300,284, generating a share premium of £300,279, (see note 13).

13. SHARE PREMIUM

	Share Premium £000
At 5 May 2006	–
Premium on issue of shares	685
At 31 July 2007	685
Premium on issue of shares	3,300
Expense of shares issued	(106)
At 31 July 2008, 31 July 2009 and 31 January 2010	3,879

14. COMMITMENTS

Operating lease commitments

Tissue Regenix leases premises under non-cancellable operating lease agreements. The future aggregate minimum lease and service charge payments under non-cancellable operating leases are as follows:

	31 July 2007 £000	*31 July 2008 £000*	*31 July 2009 £000*	*31 January 2010 £000*
Land and buildings:				
Amounts due within one year	–	33	33	12
Amounts due in one to five years	–	14	–	–
	–	47	33	12

15. RELATED PARTY TRANSACTIONS

Trading transactions with Shareholders

	5 May 2006 to 31 July 2007 £000	*Year to 31 July 2008 £000*	*Year to July 2009 £000*	*Six months to 31 January 2010 £000*
Transactions with shareholders:				
Staff secondment and sundry office running costs	8	37	23	2
Fundraising fees	–	100	–	–
Patent support costs	25	22	48	12
Laboratory facility costs	20	28	56	8
Rent	–	22	28	36
Director fees	15	23	25	13
Amounts due to related parties at the period end	4	22	8	4

Transactions with Key Management Personnel

Tissue Regenix's key management personnel comprise only the directors of Tissue Regenix.

During the period Tissue Regenix entered into the following transactions in which the directors of Tissue Regenix had an interest:

Directors' remuneration:

Remuneration received by the directors of Tissue Regenix from Tissue Regenix is set out below:

Short-term employment benefits	*Salaries & fees £000*	*Employer's national insurance contribution £000*	*Total £000*
5 May 2006 to 31 July 2007	15	–	15
Year to 31 July 2008	22	–	22
Year to 31 July 2009	189	20	209
Six months to 31 January 2010	112	13	125

16. ULTIMATE CONTROLLING PARTY

In the opinion of the directors of Tissue Regenix there is no ultimate controlling party.

17. POST BALANCE SHEET EVENTS

On 29 June 2010, it is proposed that the entire issued share capital of Tissue Regenix will be acquired by the Company for an aggregate consideration of £12 million, to be satisfied by the allotment to the Vendors of the Consideration Shares, credited as fully paid up at the Placing Price.

PART VI

PRO FORMA STATEMENT OF NET ASSETS OF THE ENLARGED GROUP

SECTION A: ACCOUNTANT'S REPORT

The following is the full text of a report on Oxeco plc from Baker Tilly Corporate Finance LLP, the Reporting Accountants, to the Directors of Oxeco plc.

BAKER TILLY

The Directors
Oxeco plc
17 Hanover Square
London
W1S 1HU

2 Bloomsbury Street
London WC1B 3ST
www.bakertilly.co.uk

3 June 2010

Dear Sirs,

Oxeco plc ("the Company")

We report on the pro forma financial information (the "Pro Forma Financial Information") set out in Part VI, Section B of the Admission Document dated 3 June 2010 ("Admission Document") of Oxeco Plc, which has been prepared on the basis described in note 1, for illustrative purposes only, to provide information about how the transaction might have affected the financial information presented on the basis of the accounting policies to be adopted by the Company in preparing the financial statements for the period ending 31 January 2011.

This report is made solely for the purposes of paragraph 20.2 of Annex I of the Prospectus Rules as if they had been applied by part (a) of Schedule Two to the AIM Rules. Our audit work has been undertaken so that we might state those matters we are required to state in an accountants' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than a person as and to the extent provided by paragraph 20.2 of Annex I of the Prospectus Rules as if it had been applied by part (a) of Schedule Two to the AIM Rules, for our audit work, for this report, or for the opinions we have formed or consenting to its inclusion in the Admission Document.

Responsibilities

It is the responsibility of the directors of the Company to prepare the Pro Forma Financial Information in accordance with paragraph 20.2 of Annex I of the Prospectus Rules as applied by part (a) of Schedule Two to the AIM Rules.

It is our responsibility to form an opinion, as required by paragraph 7 of Annex II of the Prospectus Rules as applied by part (a) of Schedule Two to the AIM Rules, as to the proper compilation of the Pro Forma Financial Information and to report that opinion to you.

In providing this opinion we are not updating or refreshing any reports or opinions previously made by us on any financial information used in the compilation of the Pro Forma Financial Information, nor do we accept responsibility for such reports or opinions beyond that owed to those to whom those reports or opinions were addressed by us at the dates of their issue.

Basis of Opinion

We conducted our work in accordance with the Standards for Investment Reporting issued by the Auditing Practices Board in the United Kingdom. The work that we performed for the purpose of making this report, which involved no independent examination of any of the underlying financial information, consisted primarily of comparing the unadjusted financial information with the source documents, considering the evidence supporting the adjustments and discussing the Pro Forma Financial Information with the directors of the Company.

We planned and performed our work so as to obtain the information and explanations we considered necessary in order to provide us with reasonable assurance that the Pro Forma Financial Information has been properly compiled on the basis stated and that such basis is consistent with the accounting policies of the Company.

Our work has not been carried out in accordance with auditing or other standards and practices generally accepted in any jurisdictions other than the United Kingdom and accordingly should not be relied upon as if it had been carried out in accordance with those other standards and practices.

Opinion

In our opinion:

(a) the Pro Forma Financial Information has been properly compiled on the basis stated; and

(b) such basis is consistent with the accounting policies of the Company.

Declaration

For the purposes of part (a) of Schedule Two to the AIM Rules we are responsible for this report as part of the Admission Document and declare that we have taken all reasonable care to ensure that the information contained in this report is, to the best of our knowledge, in accordance with the facts and contains no omission likely to affect its import.

Yours faithfully

Baker Tilly Corporate Finance LLP
Regulated by the Institute of Chartered Accountants in England and Wales

Baker Tilly Corporate Finance LLP is a limited liability partnership registered in England and Wales, registered no. OC325347. A list of the names of members is open to inspection at the registered office 2 Bloomsbury Street London WC1B 3ST.

SECTION B: PRO-FORMA STATEMENT OF NET ASSETS OF THE ENLARGED GROUP

The following pro forma statement of net assets of the Enlarged Group has been produced to illustrate the impact of the acquisition of Tissue Regenix by the Company and the proposed Placing as if they had occurred on 31 January 2010.

The pro forma statement of net assets has been prepared for illustrative purposes only and, because of its nature, may not give a true picture of the financial position or results of the Enlarged Group.

	Net assets of the Company at 31 January 2010 £'000	*Net assets of Tissue Regenix at 31 January 2010 £'000 (Note 2)*	*The Placing £'000 (Note 3)*	*Pro forma net assets of the Enlarged Group £'000*
Non-current assets				
Property, plant and equipment	–	135	–	135
Current assets				
Trade and other receivables	11	255	–	266
Cash and cash equivalents	2,316	1,083	4,030	7,429
Total assets	2,327	1,473	4,030	7,830
Current liabilities				
Trade and other payables	(32)	(186)	–	(218)
Total liabilities	(32)	(186)	–	(218)
Net assets	2,295	1,287	4,030	7,612

Notes to the pro forma statement of net assets

1. The pro forma financial information is based on the financial information relating to the Company as at 31 January 2010 extracted from the most recent published information of the Company (available on the Company's website) www.oxecoplc.com and of Tissue Regenix as at 31 January 2010, extracted from the financial information in Part V of this document and adjusted for the matters set out below.
2. On 29 June 2010 the entire shareholding in Tissue Regenix Limited is proposed to be acquired by the Company. The consideration will be satisfied by the allotment of 240,000,000 New Ordinary Shares to be issued and credited as fully paid at 5 pence per New Ordinary Share.
3. The pro forma statement of net assets assumes the net proceeds of the Placing, receivable by the Company, will amount to £4,030,000 being the gross proceeds of £4,500,000 less issue costs amounting to £470,000 inclusive of VAT.
4. For the purposes of the pro forma statement of net assets, the assets of the Company and Tissue Regenix Limited have been aggregated without accounting for any intangible assets (including goodwill) that may arise on consolidation. No adjustment has been made to the fair value of the assets on the acquisition of Tissue Regenix Limited.
5. No adjustment has been made for any movement in net assets of the Company or Tissue Regenix Limited since 31 January 2010 other than the acquisition of Tissue Regenix Limited as detailed at note 2 and the Placing as detailed at note 3.

PART VII

ADDITIONAL INFORMATION

1. The Company

1.1 The Company was incorporated and registered in England and Wales, where it remains domiciled, on 17 October 2006 under CA 1985 as a public company limited by shares with the name Oxeco Two Plc and with registration number 5969271. On 1 November 2006 the Company obtained a trading certificate pursuant to section 117 of CA 1985.

1.2 The Company changed its name to Oxeco Plc on 19 October 2006.

1.3 The liability of the members of the Company is limited.

1.4 The principal legislation under which the Company operates is now CA 2006 and the regulations made thereunder.

1.5 The Company's registered office is 17 Hanover Square London W1S 1HU and the telephone number of its principal place of business is +44 (0) 20 7099 7262.

1.6 The accounting reference date of the Company is 31 January.

2. Important events in the development of the issuer's business

2.1 The Company was founded on 17 October 2006 and was initially funded by the founders, being Michael Bretherton and ORA Capital Partners Plc. On 19 October 2006 a further funding round raised (together with the subscriber shares) £100,000.

2.2 On 21 December 2006 the Company's Ordinary Shares were admitted to trading on AIM.

2.3 On 6 June 2007 the Company acquired the entire issued share capital of Oxray.

2.4 After Oxray had substantially completed the development of its novel X-ray crystallography structure determination software, the Company announced that the results of marketing efforts to establish a solid customer base had been disappointing and that Oxray has not been able to strengthen and develop its product service offering through bolt-on acquisitions in this field as originally envisaged at the time of the acquisition of Oxray.

2.5 Consequently, the Company's investment in Oxray was written down to nil in its Financial Statements for the year ended 31 January 2009 and subsequent efforts to secure a commercial exit from the Oxray business were not successful. The Directors therefore concluded (as announced on 23 July 2009) that the most prudent course of action in the then prevailing economic climate was to stop any further investment in Oxray with an emphasis on preserving cash. Oxray has since then been a dormant subsidiary whilst retaining control of the underlying intellectual property. In addition, the Company will transferred an equity stake of 15 per cent. in Oxray to Oxray's former Commercial Manager, Richard Cooper, as an incentive to help potentially realise some future value from Oxray's underlying intellectual property.

3. The Company

3.1 The Company has one wholly owned subsidiary, Oxray, which was incorporated in England and Wales on 31 August 2006. As set out in 2.4 and 2.5 above, Oxray is now a dormant 85 per cent. subsidiary. As at Admission, Tissue Regenix will be a wholly owned subsidiary of the Company.

4. Share Capital

4.1 At the date of incorporation, the authorised share capital of the Company was £1,000,000 divided into 1,000,000,000 shares of £0.001 each, two of which were issued to the subscribers to the Company's memorandum of association.

On 18 October 2006, one of the subscriber shares was transferred for cash to Michael Bretherton and the other subscriber share was transferred for cash to ORA Capital Partners Plc.

On 19 October 2006 the Company allotted and issued 99,999,998 Ordinary Shares for cash at par.

On 23 March 2007 the Company allotted and issued 200,000,000 Ordinary Shares pursuant to the terms of the Oxray Acquisition Agreement to the then shareholders of Oxray.

Save as described above, the Company has made no further allotments of Ordinary Shares since the date of incorporation.

4.2 The Company's authorised and issued share capital, all of which is fully paid, at the date of this document is, and immediately following the Placing, Acquisition and Admission will be, as follows:

	Authorised		*Issued*	
	Number	*Amount*	*Number*	*Amount*
At the date of this document:				
Existing Ordinary Shares	1,000,000,000	£1,000,000	600,000,000	£ 600,000
On Admission:				
New Ordinary Shares	N/A*	N/A*	466,712,800	£2,333,564

* Under the provisions of the New Articles, and as permitted by CA 2006, the Company will not have an upper limit to the authorised share capital.

4.3 The provisions of section 561 of CA 2006 (which confer on shareholders rights of pre-emption in respect of the allotment of equity securities) will apply to the issue of further share capital of the Company to the extent not disapplied by resolutions of the Company set out below.

4.4 By a written resolution of the shareholders of the Company dated 18 October 2006, it was resolved that:

4.4.1 the Directors be generally and unconditionally authorised pursuant to section 80 of the 1985 Act to exercise all the powers of the Company to allot and make offers to allot relevant securities up to an aggregate nominal amount of £999,999.998 provided that the authority shall expire at the conclusion of the annual general meeting of the Company which was to be held in 2007 or 15 months after the passing of the resolution (whichever was earlier) save that the Company may before such expiry make an offer or enter into an agreement which would or might require relevant securities to be allotted after such expiry and the directors may allot relevant securities in pursuance of such offer or agreement as the authority conferred had not expired;

4.4.2 the Company's then articles of association be replaced in their entirety by the current Articles of Association;

4.4.3 the Directors be authorised and empowered pursuant to section 95 of CA 1985 to allot equity securities (as defined in section 94(2) of CA 1985) for cash pursuant to the section 80 authority referred to in 4.4.1 above as if section 89(1) of CA 1985 did not apply to any such allotment provided that this power should be limited to the allotment of 600,000,000 Ordinary Shares;

4.5 By ordinary and special resolutions (as applicable) passed at the Company's annual general meeting held on 21 April 2010, it was resolved that:

4.5.1 the Directors were generally and unconditionally (in substitution for all previous powers granted thereunder) authorised to allot relevant securities (within the meaning of section 551 of CA 2006) up to an aggregate nominal amount of £200,000 provided that the authority shall

expire at the conclusion of the annual general meeting of the Company to be held in 2011 or 30 June 2011 (whichever is earlier), unless and to the extent that such authority is renewed or extended prior to such date, that the Company may before such expiry make an offer or agreement which would, or might, require relevant securities to be allotted after such expiry and the Directors may allot relevant securities in pursuance of such offer or agreement as if the authority conferred had not expired;

4.5.2 the Directors were authorised and empowered pursuant to section 570 of CA 2006 (in substitution for all previous powers granted thereunder) to allot equity securities (within the meaning of section 560 of CA 2006) for cash pursuant to the authority conferred by the ordinary resolution described at paragraph 4.5.1 above as if section 561(1) of CA 2006 did not apply to such allotment provided that this power shall be limited to:

4.5.2.1 the allotment of equity securities on a *pro-rata* basis in favour of Shareholders where the equity securities respectively attributable to interests of such Shareholders are proportionate (as nearly as maybe) to the respective number of Ordinary Shares held by them but subject to such exclusions or other arrangements as the Directors may deem necessary or expedient to deal with legal or practical problems in respect of overseas holders, fractional entitlements or otherwise;

4.5.2.2 the allotment (other than pursuant to sub paragraph 4.5.2.1 above) of equities securities having in the case of equity securities having a nominal amount not exceeding £60,000:

provided that the power expired at the exclusion of the annual general meeting of the Company to be held on 2011 or 30 June 2011 (whichever is earlier) unless and to the extent that such authority is received or extended prior to such date that the Company may, before expiry of the power, make any offer or agreement which would or might require equity shares to be allotted after the expiry of the power and the Directors may allot equities securities in pursuance of such offer or agreement as if the power has not expired.

4.5.3 the Company was generally and unconditionally authorised pursuant to section 701 of CA 2006 to make market purchases (as defined in section 693(5) of CA 2006) of its own Ordinary Shares of 0.1p each on such terms and in such manner as the Directors of the Company shall determine, the general authority conferred shall:

4.5.3.1 be limited to a maximum of 89,940,000 Ordinary Shares (being 14.99 per cent. of the issued share capital of the Company as at 26 March 2010);

4.5.3.2 not permit payment of a price per Ordinary Share, exclusive of expenses of less than 1p or more than 105 per cent. of the average price at which business was done in the Ordinary Shares of the Company in the five business days preceding the purchase;

and shall expire on the earlier of the conclusion of the annual general meeting of the Company to be held in 2011 and 30 June 2011 save that the Company may before the expiry of the power contract to purchase its own Ordinary Shares which contract requires or might require the purchase of such Ordinary Shares wholly or partly after such expiry. There are no shares in the Company which are held by, or on behalf of, the Company.

4.6 No person has any rights to purchase the authorised but unissued capital of the Company and no person has been given an undertaking by the Company to increase its authorised capital.

4.7 No person has any rights over the capital of any of the Company and the Company has not agreed conditionally or unconditionally to grant any option over its capital.

4.8 On completion of the Placing and Acquisition, the issued share capital of the Company will be increased by approximately 388.5 per cent. resulting in an immediate dilution of approximately 25.7 per cent.

5. Memorandum and Articles of Association

Memorandum of Association

5.1 CA 2006 significantly reduces the constitutional significance of a company's memorandum. CA 2006 provides that a memorandum will record only the names of subscribers and the number of shares each subscriber has agreed to take in the company. Under CA 2006 the objects clause and all other provisions which are contained in a company's memorandum, for existing companies at 1 October 2009, are deemed to be contained in the company's articles of association but the Company can remove these provisions by special resolution.

Further, CA 2006 states that unless a company's articles provide otherwise, a company's objects are unrestricted. This abolishes the need for companies to have objects clauses. For this reason the Company is proposing to remove its objects clause together with all other provisions of its memorandum which, by virtue of CA 2006 Act, are treated as forming part of the Company's articles of association as of 1 October 2009. The adoption of the New Articles confirms the removal of these provisions for the Company. As the effect of the adoption of the New Articles will be to remove the statement currently in the Company's memorandum of association regarding limited liability, the New Articles also contain an express statement regarding the limited liability of shareholders.

Articles of Association

5.2 The New Articles (proposed to be adopted at the GM by Resolution 6) exclude the articles of association set out in the Companies (Model Articles) Regulation 2008. Under the New Articles the liability of the members is limited to any unpaid capital on the shares held by them. The New Articles contain the following provisions, among others, to the following effect:

5.2.1 *Voting Rights*

Subject to any special rights or restrictions as to voting attached to any shares and subject to any suspension or abrogation of voting rights pursuant to the Articles at a general meeting, on a show of hands every member who (being an individual) is present in person and every proxy and every member (being a corporation) who is present by a duly authorised representative not being himself a member, shall have one vote, so however that no individual shall have more than one vote and on a poll every member present in person or by proxy shall have one vote for every share of which he is the holder.

5.2.2 *General Meetings of Shareholders*

All general meetings which are not annual general meetings are general meetings. General meetings may be called by directors whenever they think fit or within not more than 21 days of receipt of a requisition of members served in accordance with CA 2006, in which case the general meeting must be convened for a date not more than 28 days after the date of the notice convening the meeting. If there are insufficient directors in the UK to form a quorum, any director or two members may convene a general meeting, in the same manner as nearly as possible as that in which meetings may be convened by the directors.

An annual general meeting shall be called by at least 21 clear days' notice and all other general meetings shall be called by at least 14 clear days' notice.

5.2.3 *Class Rights*

The special rights attached to any class of shares may, subject to any applicable law, be modified or abrogated, either with the consent in writing of the holders of three-fourths in nominal value of the issued shares of that class or with the sanction of a special resolution passed at a separate general meeting of the holders of shares of that class.

The provisions of the Articles applicable to general meetings apply *mutatis mutandis* to class meetings but the necessary quorum is two persons holding or representing by proxy not less

than one third of the issued shares of that class except where there is only one holder of the relevant class of shares in which case the quorum shall be that holder.

5.2.4 *Changes to Share Capital*

Unless the Company in a general meeting otherwise resolves by special resolution the Company shall not have any upper limit to its authorised share capital.

The Company may by ordinary resolution consolidate and divide all or any of its shares into shares of a larger amount, cancel any shares not taken or agreed to be taken by any person and sub-divide its shares into shares of a smaller amount.

Any new shares proposed to be issued by the Company shall be offered in the first instance in accordance with section 561 of CA 2006 (save to the extent disapplied from time to time by special resolution) to all the shareholders for the time being, on the same or on more favourable terms than those offered or to be offered to persons other than shareholders, in proportion to the number of shares of the same class held by them.

5.2.5 *Reduction of Share Capital*

The Company may by special resolution (and, with court approval where required) reduce its authorised or issued share capital or any capital redemption reserve and any share premium account in any way subject to any authority required by law. Subject to applicable law, the Company may purchase its own shares.

5.2.6 *Redeemable Shares*

The Company may create and sanction the issue of shares which are, or at the option of the Company or the holder are to be liable, to be redeemed, subject to and in accordance with the provisions of the Statutes and the Directors may determine the terms, conditions and manner of redemption of any such shares.

5.2.7 *Directors*

5.2.7.1 A director is not required to hold any qualification shares.

5.2.7.2 The amount of any directors' fees payable to directors (which, for the avoidance of doubt, does not include any salary or other benefits paid to any executive director) shall be determined by the directors provided that they shall not in any year exceed an aggregate amount of £150,000 or such other sum as may from time to time be approved by ordinary resolution. The directors are also entitled to be repaid all expenses properly incurred by them respectively in the performance of their duties. Any director holding an executive office or otherwise performing services which in the opinion of the directors are outside the scope of his ordinary duties as a director may be paid such remuneration as the directors may determine.

5.2.7.3 The directors may establish and maintain or procure the establishment and maintenance of any non-contributory or contributory pension or superannuation funds for the benefit of, and give donations, gratuities, pensions, allowances or emoluments to, any persons who are or were at any time in the employment or services of the Company or any other company which is a subsidiary of the Company or is allied to or associated with the Company or any such subsidiary of any such other company ("associated companies") and the families and dependents of any such persons and the directors shall have power to purchase and maintain insurance against liability for any persons who are or were at any time directors or officers of the Company, its associated companies and for trustees of any pension fund in which employees of the Company or its associated companies are interested.

5.2.7.4 The directors may from time to time appoint one or more of their body to be the holder of any executive office (including the office of chairman, vice-chairman, managing director or any other salaried office on such terms and for such period as they may determine.

5.2.7.5 Subject to the provision of applicable law and provided that he has disclosed to the directors the nature and extent of his interest, a director notwithstanding his office:

(a) may be a party to, or otherwise interested in, any transaction or arrangement with the Company or in which the Company is otherwise interested (directly or indirectly);

(b) may be a director or other officer of, or employed by, or party to, any transaction or arrangement with, or otherwise interested in, any body corporate promoted by the Company or in which the Company is otherwise interested;

(c) may hold any other office or place of profit under the Company (except that of auditor or auditor of a subsidiary of the Company) in conjunction with the office of Director and may act in a professional capacity to the Company on such terms as to remuneration and otherwise as the directors may arrange; and

(d) shall not, by reason of his office, be accountable to the Company for any benefit which he derives from any such office or employment or from any such transaction or arrangement or from any interest in any such body corporate.

5.2.7.6 For the purposes of section 175 of CA 2006, the Board may authorise any matter proposed to it in accordance with the Articles which would, if not so authorised, involve a breach of duty by a director under that section, including, without limitation, any matter which relates to a situation in which a director has, or can have, an interest which conflicts, or possibly may conflict, with the interests of the Company.

(a) Any such authorisation will be effective only if:

(i) any requirement as to quorum at the meeting at which the matter is considered is met without counting the director in question or any other interested director; and

(ii) the matter was agreed to without their voting or would have been agreed to if their votes had not been counted.

(b) The Board may (whether at the time of the giving of the authorisation or subsequently) make any such authorisation subject to any limits or conditions it expressly imposes but such authorisation is otherwise given to the fullest extent permitted.

(c) The Board may vary or terminate any such authorisation at any time.

(d) For the purposes of the Articles, a conflict of interest includes a conflict of interest and duty and a conflict of duties, and interest includes both direct and indirect interests.

5.2.7.7 Subject to section 177(5) and section 177(6) of CA 2006, provided that he has disclosed to the Board the nature and extent of his interest, a director notwithstanding his office:

(a) may be a party to, or otherwise interested in, any transaction or arrangement with the Company or in which the Company is otherwise (directly or indirectly) interested;

(b) may act by himself or his firm in a professional capacity for the Company (otherwise than as auditor) and he or his firm shall be entitled to remuneration for professional services as if he were not a director;

(c) may be a director or other officer of, or employed by, or a party to a transaction or arrangement with, or otherwise interested in, any body corporate in which the Company is otherwise (directly or indirectly) interested.

5.2.7.8 A director shall not, by reason of his office, be accountable to the Company for any remuneration or other benefit which he derives from any office or employment or from any transaction or arrangement or from any interest in any body corporate:

(a) the acceptance, entry into or existence of which has been approved by the Board in accordance with the New Articles (subject, in any such case, to any limits or conditions to which such approval was subject); or

(b) which he is permitted to hold or enter into in accordance with the New Articles;

nor shall the receipt of any such remuneration or other benefit constitute a breach of his duty under section 176 of CA 2006.

5.2.7.9 At every annual general meeting, director's bound to retire under section 177 of CA 2006 and one third of all other directors then serving on the Board shall retire by rotation and stand for re-election.

5.2.8 *Transfer of Shares*

5.2.8.1 Subject to the restrictions referred to below, any member may transfer all or any of his certificated shares by instrument in writing in any usual or common form, or in such other form as the directors may approve. The instrument of transfer shall be signed by or on behalf of the transferor and, in the case of a partly paid up share, by or on behalf of the transferee. The directors may, in their absolute discretion and without assigning any reason, refuse to register a transfer of any share, not being a fully paid up share, or being in respect of a share on which the Company has a lien. They may also refuse to register any transfer of any share (whether fully paid or not) to be held jointly by more than four persons. The directors may also decline to register any instrument of transfer unless:

(a) it is deposited duly stamped, at the registration office of the Company, or such other place as the directors may appoint, accompanied by the certificate for the shares to which it relates and such other evidence as the directors may reasonably require to show the right of the transferor to make the transfer; and

(b) it is in respect of only one class of certified share.

The registration of transfers may be suspended by the directors for any period not exceeding 30 days in any year as the directors determine.

5.2.9 *Dividends*

5.2.9.1 Subject to the provisions of CA 2006, the Company may by ordinary resolution declare a dividend to be paid to the members according to their respective rights and interest,

but no dividend shall exceed the amount recommended by the directors. Subject to the provisions of CA 2006, the directors may pay such interim dividends as appear to them to be justified by the profits of the Company available for distribution. No dividend shall be payable except out of the profits of the Company.

5.2.9.2 All dividends shall be declared and paid according to the amounts paid on the shares in respect of which the dividend is paid, but no amount paid on a share in advance of calls shall be treated as paid up on the share. All dividends shall be apportioned and paid proportionately to the amounts paid on the shares during any portion of the period in respect of which the dividend is paid; but if any share is issued on terms providing that it shall rank for dividends as from a particular date such share shall rank for dividend accordingly.

5.2.10 *Distribution of assets on a winding up*

On a winding up of the Company, the balance of the assets available for distribution, after deduction of any provision made under section 247 of CA 2006 and subject to any special rights attaching to any class of shares, shall be applied in repaying to the members of the Company the amounts paid up on the shares held by them together with any premium paid up or credited as paid up on the issue of such shares. Any surplus assets will belong to the holders of any ordinary shares then in issue according to the numbers of shares held by them in proportion to the amounts paid up on the shares held by them together with any premium paid up or credited as paid up on the issue of such shares or, if no ordinary shares are then in issue, to the holders of any unclassified shares then in issue according to the numbers of shares held by them.

5.2.11 *Borrowing Powers*

5.2.11.1 The directors may exercise all the powers of the Company to borrow money and to mortgage or charge all or any part of its undertaking, property and assets (both present and future), including its uncalled capital and, subject to CA 2006, to issue debentures and other securities, whether outright or as collateral security, for any debt, liability or obligation of the Company or of any third party. The directors shall restrict the borrowings of the Company and exercise all voting and other rights or powers of control exercisable by the Company in relation to its subsidiaries so as to secure (but as regards subsidiary undertakings only insofar as, by the exercise of the rights or powers of control, the directors can secure) that the aggregate principal amount outstanding of all borrowings by the Group (exclusive of borrowings owing by one member of the Company to another member) does not, without the previous sanction of an ordinary resolution, exceed the greater of £10,000,000 or an amount equal to four times the adjusted capital and reserves (as defined in the Articles).

5.2.12 *Rights of Shares*

5.2.12.1 The Ordinary Shares rank *pari passu* as a class in terms of preference, restriction and all other rights.

6. Directors', Proposed Directors' and Other Interests

6.1 The interests of the Directors and Proposed Directors (all of which are beneficial) and persons connected with them in the issued share capital of the Company as at 2 June 2010 (being the latest practicable business day prior to the date of this document) and following the Acquisition and Placing, such interests being those which could, with reasonable diligence, be ascertained by that Director and/or Proposed Director, whether or not held through another party, are as follows:

Name	Number of Existing Ordinary Shares at the date of this document	% of issued share capital at the date of this document	Number of New Ordinary Shares in the Enlarged Issued Share Capital	% of the Enlarged Issued Share Capital	Number of Replacement Options and New Options to be granted at Admission	Number of New Ordinary Shares held assuming full exercise of Replacement Options and New Options	% of fully diluted share capital
Michael Bretherton*	2,000,000	0.33	1,200,000	0.26	–	1,200,000	0.25
Graham Richards	1,000,000	0.17	200,000	0.04	–	200,000	0.04
Gordon Hall	–	–	–	–	–	–	–
John Samuel*	–	–	22,861,655	4.90	2,400,000	25,261,655	5.28
Antony Odell*	–	–	5,572,800	1.19	9,494,808	15,067,608	3.15
Alan Miller	–	–	21,486,988	4.60	–	21,486,988	4.49
Alexander Stevenson	–	–	–	–	–	–	–
Alan Aubrey**	–	–	2,389,259	0.51	–	2,389,259	0.50

* Includes New Ordinary Shares to be held jointly by the director and the EBT as set out in the table below of interests under the Joint Owned Share Scheme.

** These New Ordinary Shares are held through IP2IPO Nominees Limited.

6.2 Alan Aubrey holds approximately 0.4 per cent. of the issued share capital of IP Group plc, the holding company of Techtran Group Limited and a 0.17 per cent. limited partnership interest in IP Venture Fund. In addition, Alan Aubrey has a 3 per cent. direct interest in the Northern Entrepreneurs Fund LLP and approximately a 0.24 per cent. indirect interest in the same through his shareholding in Axiomlab Group plc, the parent company of Inhoco 2835 Limited which has a 3 per cent. interest in the Northern Entrepreneurs Fund LLP. Further, Alan Aubrey and Alex Stevenson are participants in the Northern Entrepreneurs Fund Co-investment LLP and currently would be entitled to 12.5 per cent. and 25 per cent. respectively of any shares (or proceeds thereof) distributed by the same.

6.3 Michael Bretherton holds approximately 0.07 per cent. of the issued share capital of ORA, the holding company of ORA Guernsey.

6.4 The following Directors and Proposed Directors will have interests in New Ordinary Shares of the Company under the Joint Owned Share Scheme as follows.

Name	*Number of shares*	*Share value at Placing Price £*	*Inherent value of director's interest at date of grant £*
John Samuel	10,740,000	537,000	£5,370
Antony Odell	5,372,800	268,640	£2,686
Michael Bretherton	600,000	30,000	£300

6.5 The following New Options and Replacement Options will be granted to the following Proposed Directors conditional upon Admission:

Name	*Number of Replacement and New Options*	*Exercise Price*	*Final Exercise Date*
John Samuel			
– New Options	2,400,000	5.00p	29/06/2020
Antony Odell			
– Replacement Options	8,307,608	0.73p	06/01/2020
– New Options	1,187,200	5.00p	29/06/2020

Save for the New Options and Replacement Options set out above, none of the Directors nor Proposed Directors hold any options to subscribe for, nor warrants exercisable into, New Ordinary Shares.

6.6 Except as described above, none of the Directors, nor Proposed Directors, nor members of their families, has a related financial product (as defined in the AIM Rules) referenced to the New Ordinary Shares.

7. Substantial Shareholders

7.1 The Company is aware that, in addition to the holdings referred to in paragraph 6 above, the following persons have, at the date of this document, an interest in, or will following Admission (including, *inter alia*, full subscription under the Placing) be interested in, three per cent. or more of the Enlarged Issued Share Capital:

Name	*Number of Existing Ordinary Shares*	*Percentage of issued share capital at the date of this document*	*Number of New Ordinary Shares in the Enlarged Issued Share Capital*	*Percentage of the Enlarged Issued Share Capital*
ORA (Guernsey) Limited	271,500,000	45.25	129,435,476	27.73
Techtran Group Limited	–	–	71,703,123	15.36
The Northern Entrepreneurs Fund LLP	–	–	30,512,434	6.54
Nora Powel	116,000,000	19.33	27,066,667	5.80
IP Venture Fund	–	–	24,794,730	5.31
University of Leeds	–	–	24,509,873	5.25
Richard Griffiths*	22,000,000	3.67	24,400,000	5.23

* Includes 20,000,000 New Ordinary Shares in which Richard Griffiths has an economic interest only by way of a derivative financial instrument, further details of which are set out in Part IV of this document.

7.2 Save as disclosed in paragraph 7.1, the Company is not aware of any person or persons who either alone or, if connected, jointly who currently or, following the completion of the Placing, will (directly or indirectly) exercise or could exercise control over the Company. The Company is a party to a relationship agreement with ORA which is to be amended and restated by the Restated Relationship Agreement.

7.3 The Company's shareholders listed in paragraph 7.1 do not have different voting rights to other holders of New Ordinary Shares.

7.4 The Directors are not aware of any arrangements in place or under negotiation which may, at a subsequent date, result in a change of control of the Company.

8. Additional Information on the Directors and Proposed Directors

8.1 Details of the length of time in which the Directors have been in office are set out below:

Name	*Commencement of Period of office*
Michael Bretherton	17 October 2006
Gordon Hall	2 June 2009
Professor Graham Richards	28 November 2006

8.2 The Directors have held the following directorships or been partners in the following partnerships within the five years prior to the date of this document:

Director	*Current*	*Past*
Michael Bretherton	Foram Properties Limited Nanoco Group Plc Nanoco Tech Limited Obtala Resources Plc ORA Capital Ltd ORA Capital Partners Limited Oxeco Plc Oxford Advanced Surfaces Group Plc Oxford Nutrasciences Group Plc Oxford Nutrascience Limited Oxford Nutra Limited Oxray Limited ORA (Guernsey) Ltd	Novum Securities Ltd Novum Private Clients Ltd Novum Nominees Ltd OCP Investments Ltd
Gordon Hall	International Brand Licensing Plc Nanoco Group Plc Nanoco Life Sciences Limited Nanoco Tech Limited Oxeco Plc	Osmetech Plc Osmetech Aesop Trustee Limited Firstafrica Oil Limited Plectrum Petroleum Limited
Professor Graham Richards	Inhibox Limited IP Group Plc Tdeltas Limited Oxeco Plc Crysalin Limited	ISIS Innovation Limited Oxford Inspires Virtual Environments International Limited
John Samuel	Tissue Regenix Limited	Apax Partners LLP Jadegate Consultancy Ltd Medlock Medical Holdings Limited Medlock Moon Limited Medlock Medical Limited MHC UK Limited Molnlycke Health Care Limited Pure Wafer Plc Regent Medical Limited Regent Medical Americas Holdings Limited Regent Medical Holdings Limited Regent Medical Overseas Limited Regent Moon Limited
Antony Odell	Tissue Regenix Limited	Tayside Flow Technologies Ltd The Acrobot Company Limited Procollagenix Ltd Xeno Medical Limited
Alex Stevenson	Tissue Regenix Limited Aquarius Equity Holdings Limited Aquarius Equity Partners Limited Member of the Northern Entrepreneurs Fund Co-investment LLP	MBS Director Limited MBS Secretarial Limited Techtran Limited Aquarius Equity Director Limited Aquarius Northern Entrepreneurs Managing Member Limited Aquarius Origin Fund Managing Member Limited

Director	*Current*	*Past*
Alan Aubrey	Avacta Group Plc	Aquarius Equity Holdings Limited
	Avacta Limited	Aquarius Equity Partners Limited
	Axiomlab	Aquarius Northern Entrepreneurs
	Axiomlab Group Plc	Managing Member Limited
	Axiomlab Investments Limited	Aquaruis Equity Holdings Limited
	Energetix Group Plc	AXM Venture Capital Limited
	Hatt III General Partner Limited	Empiricom Technologies Limited
	Inhoco 2835 Limited	Energetix (Europe) Limited
	IP Group Plc	Flexisols Limited
	IP Industry Partners Limited	Modern Biosciences Plc
	IP Venture Fund (GP) Limited	Modern Water Plc
	IP Ventures (Scotland) Limited	Nuage Services Limited
	IP2IP0 Limited	Oxford Advanced Surfaces Group Plc
	IP2IP0 Management II Limited	Oxford Energy Technologies Limited
	IP2IP0 Management IV Limited	Pimco 2501 Limited
	IP2IP0 Management Limited	Thermetica Limited
	IP2IPO Services Limited	
	LifeUK (IP2IP0) Limited	
	Oxford Nanopore Technology	
	Proactis Group LimitedProactis	
	Holdings Plc	
	Syntopix Group Plc	
	Syntopix Limited	
	Techtran Corporate Finance Limited	
	Techtran Group Limited	
	Techtran Investments Limited	
	Techtran Limited	
	Techtran Services Limited	
	The Northern Entrepreneurs Fund	
	Co-Investment LLP	
	The Northern Entrepreneurs Fund	
	LLP	
	Top Technology Ventures Limited	
	TTV IV G.P Limited	
Alan Miller	Leigh Cottage Childcare Ltd	New Star Asset Management Ltd
	Pharminox Ltd	Silver Street Capital LLP
	SCM Private LLP	
	Tissue Regenix Ltd	

8.3 Save as disclosed in paragraphs 8.4 to 8.7 below, none of the Directors has:

8.3.1 any unspent convictions in relation to indictable offences;

8.3.2 had any bankruptcy order made against him or entered into any voluntary arrangements;

8.3.3 been a director of a company which has been placed in receivership, compulsory liquidation, creditors' voluntary liquidation, administration, been subject to a voluntary arrangement or any composition or arrangement with its creditors generally or any class of its creditors, whilst he was a director of that company or within the 12 months after he had ceased to be a director of that company;

8.3.4 been a partner in any partnership which has been placed in compulsory liquidation, administration or been the subject of a partnership voluntary arrangement, whilst he was a partner in that partnership or within the 12 months after he ceased to be a partner in that partnership;

8.3.5 been the owner of any asset which has been placed in receivership or a partner in any partnership which has been placed in receivership whilst he was a partner in that partnership or within the 12 months after he ceased to be a partner in that partnership;

8.3.6 been publicly criticised by any statutory or regulatory authority (including recognised professional bodies); or

8.3.7 been disqualified by a court from acting as a director of any company or from acting in the management or conduct of the affairs of a company.

8.4 Michael Bretherton was a non-executive director of Brimley & Co. Limited "Brimley", a wholly owned subsidiary of Bridgend Group plc, until the reverse acquisition of that company by Hemscott Holdings Limited on 15 August 2000, at which time he resigned from the board of the enlarged Hemscott company and all its subsidiaries, including Brimley. Subsequent to that acquisition and Mr. Bretherton's resignation, the business and certain assets of Brimley were sold, its name was changed to XLIV Limited and it was then placed into creditors' voluntary liquidation on 31 October 2000 with an estimated deficiency as regards external creditors of £168,000.

8.5 Graham Richards was a director of Oxford Molecular Group plc until he resigned from the board on 31 December 1999. The company was subsequently placed into members' voluntary liquidation on 22 September 2000 and its name was changed to OM 2000 plc.

8.6 Graham Richards was a director of Virtual Environments International Limited until it was dissolved on 6 June 2006. The company was placed into creditors' voluntary liquidation on 7 August 2001 with an estimated deficiency as regards external creditors of £533,234.

8.7 John Samuel was a director of ESM Ltd which went into administration on 14 January 2002. ESM Ltd was majority owned by Apax Partners LLP. The business and certain assets of ESM Ltd were later sold to International Rectifier Inc.

9. Directors' Contracts and Remuneration

9.1 On 12 December 2006, the Company (1), ORA Capital (2) and Michael Bretherton (3) entered into a consultancy agreement pursuant to which Michael Bretherton was appointed as a consultant Finance Director with effect from Admission. The agreement is terminable on 3 months' written notice from any party and contains provision for early termination in the event of breach by Mr. Bretherton and/or the Company. Mr. Bretherton's fee under the agreement, payable to ORA Capital, is £12,000 plus VAT per annum for providing services for 2.5 days per month for 48 weeks per annum. ORA Capital receives a fee of £500 plus VAT per day for any further days worked by Mr. Bretherton. Mr. Bretherton is restricted from competing with the business or soliciting or enticing employees and consultants of a technical or managerial capacity of the business for a period of six months commencing from the date on which the consultancy agreement is terminated. Save for fees payable in respect of the notice period, no benefits are payable on termination of the agreement.

9.2 On 12 December 2006, Michael Bretherton entered into a letter of appointment with the Company. The letter of appointment is for an initial period of 12 months unless terminated by either party giving to the other not less than three months' notice in writing. The letter of appointment contains provisions for early termination, *inter alia*, in the event of a breach by the Director. The basic fee payable to Michael Bretherton is £10,000 per annum to be reviewed annually (without any obligation to increase the same). Save for fees payable in respect of the initial and any notice period, no benefits are payable on termination of the agreement. Mr. Bretherton will be entering into a new letter of appointment with the Company, in similar terms, with effect from Admission, as set out at paragraph 9.8 below.

9.3 John Samuel has entered into a service agreement with the Company, dated 3 June 2010, under which he agrees, subject to and with effect from Admission, to act as Executive Chairman of the Company. The service agreement may be terminated on not less than six months' notice given by either party to the other at any time. The service agreement contains provisions for early termination, *inter alia*, in the event of a breach by Mr. Samuel, payment in lieu of notice and garden leave. Confidentiality

provisions and post termination restrictions for a period of 12 months are also included. Restrictions regarding non-solicitation of and non-dealing with customers or prospective customers, non-competition, non-solicitation of staff and non-interference non-solicitation of supplies are included. Mr. Samuel will be paid an annual salary of £100,000 to be reviewed annually (without any obligation to increase the same) and may be entitled to a discretionary bonus in accordance with the Company's discretionary bonus scheme.

9.4 Antony Odell has entered into a service agreement with the Company, dated 3 June 2010, under which he agrees, subject to and with effect from Admission, to act as Managing Director of the Company. The service agreement may be terminated on not less than six months' notice given by either party to the other at any time. The service agreement contains provisions for early termination, *inter alia*, in the event of a breach by Mr. Odell, payment in lieu of notice and garden leave. Confidentiality provisions and post termination restrictions are also included. Restrictions regarding non-solicitation of and non-dealing with customers are for a period of 12 months, and restrictions regarding non-competition and non-solicitation of staff are for 12 months. Mr. Odell will be paid an annual salary of £130,000 to be reviewed annually (without any obligation to increase the same), together with an accommodation allowance of £10,000 per annum.

9.5 Alan Miller has entered into a letter of appointment with the Company, dated 3 June 2010. His appointment, which is subject to Admission, is for an indefinite period and may be terminated on not less than three months' notice given by either party to the other at any time. The letter of appointment contains provisions for early termination, *inter alia*, in the event of a breach by Mr. Miller. The basic fee payable to Mr. Miller is £15,000 per annum to be reviewed annually (without any obligation to increase the same).

9.6 Alexander Stevenson has entered into a letter of appointment with the Company, dated 3 June 2010. His appointment, which is subject to Admission, is for an indefinite period and may be terminated on not less than three months' notice given by either party to the other at any time. The letter of appointment contains provisions for early termination, *inter alia*, in the event of a breach by Mr. Stevenson. The basic fee payable to Mr. Stevenson is £15,000 per annum to be reviewed annually (without any obligation to increase the same).

9.7 Alan Aubrey has entered into a letter of appointment with the Company, dated 3 June 2010. His appointment, which is subject to Admission, is for an indefinite period and may be terminated on not less than three months' notice given by either party to the other at any time. The letter of appointment contains provisions for early termination, *inter alia*, in the event of a breach by Mr. Aubrey. The basic fee payable to Mr. Aubrey is £15,000 per annum to be reviewed annually (without any obligation to increase the same).

9.8 Michael Bretherton has entered into a letter of appointment with the Company, dated 3 June 2010. His appointment, which is subject to Admission, is for an indefinite period and may be terminated on not less than three months notice given by either party to the other at any time. The letter of appointment contains provisions for early termination, *inter alia*, in the event of a breach by Mr. Bretherton. The basic fee payable to Mr. Bretherton is £12,000 per annum to be reviewed annually (without any obligation to increase the same).

10. Employees

The Enlarged Group will, on Admission, have 14 employees (including Executive Directors but excluding Non-Executive Directors). The following table shows how many employees will be working for each company in the Enlarged Group as at Admission:

Group Company	*Jurisdiction*	*Number of Employees*
Oxeco	UK	2
Oxray	UK	Nil
Tissue Regenix Limited	UK	12

11. Share Schemes

11.1 The rules of both the EMI Scheme and the Unapproved Scheme are incorporated within one scheme document known as the Rules of the Tissue Regenix Group Plc Share Option Plan 2010, and which will be adopted by the Company, conditional upon Admission. Set out below is a summary of the main elements of the EMI Scheme. Any specific differences between the EMI Scheme and the Unapproved Scheme are set out in the paragraph below. The terms of the Joint Owned Share Scheme are also summarised below.

The maximum number of shares over which options may be granted, or interests may be acquired, under the Share Schemes, is limited to 10 per cent. of the issued share capital of the Company in any ten year period.

11.2 ***EMI Scheme***

Introduction

The EMI Scheme is only open to those persons who are classed as "eligible employees" under the relevant Enterprise Management Incentive legislation and includes any *bona fide* employee of the Company who satisfies the requirement as to commitment of working time by spending 25 hours per week (or, if less, 75 per cent. of his working time) on the business of the Enlarged Group and satisfies the 'no material interest' requirement which means the person either alone or together with a related party does not have a material interest in any member of the Enlarged Group which broadly means more than 30 per cent. of the share capital of that company.

Grant of Options

The Board has absolute discretion as to the selection of persons to whom an option is granted. The Company may grant options at any time but may only grant an EMI option to a qualifying employee and shall not grant an EMI option to any other person.

The grant of an EMI option shall be effected by the Company entering into an EMI option agreement containing information which specifies *inter alia* the date of the grant, the number of shares in respect of which the option is granted, the exercise price, the basis on which the options vest, confirmation the grantee agrees to indemnify the Company in respect of any option tax liabilities it may suffer and whether or not the option will lapse on the occurrence of a sale.

Relationship of the plan to employment or engagement

The grant of an option does not form part of the grantee's entitlement to remuneration or benefits pursuant to the grantee's contract of employment or contract for services (if any). The grant of an option shall not afford the grantee any rights or additional rights to compensation or damages. Neither the grant nor any benefit which may accrue shall form part of that grantee's pensionable remuneration for the purposes of any pension scheme.

Non-Transferability of Option

An option may only be exercised by the individual grantee (or by his personal representatives in the case of death). Any attempts to transfer or assign an option shall result in the immediate lapse of the option.

Exercise of Options

An option may not be exercised later than midnight on the day preceding the tenth anniversary of the date of grant or such earlier time as permitted by the EMI Scheme.

In relation to each option the Board shall determine at the date of grant the basis upon which the option shall vest and may be conditional on things such as the Company's performance.

An EMI option agreement may provide that if an option vests in respect of some or all of the shares and the shares are not exercised within a specified period then the option shall lapse and cease to be exercisable.

If in consequence of a performance related event an option becomes vested in some but not all of the shares over which it subsists, but the option does not and cannot vest for the remaining shares, then the option shall lapse with regards the balance of shares but will not lapse in respect of such shares to which the performance related condition does not relate.

If a performance related condition must be satisfied by a particular date, the option shall lapse after midnight on that date if not satisfied. The Board shall determine whether a performance condition has been satisfied. If a grantee ceases to be an employee (other than by reason of his death) then any subsisting option held by him shall cease to be exercisable on the date of such cessation, save that if, within 40 days of the date of cessation the Board determines that such option may be exercised, then the grantee may, exercise it within such 40 day period. If a grantee ceases to be an employee by reason of his death, then any subsisting option held by him may be exercised by his personal representatives to the extent the option has vested within 12 months of the date of the optionholders death. Exercise after the sale of the Company can take place during the period of one month beginning with the date of unconditional completion.

If the Board considers a sale is imminent, they may direct that a grantee may exercise a subsisting option, to the extent that such option shall be treated as vested. Such entitlement may be made conditional upon the sale taking place. If the Company is listed, an option may be exercised to the extent vested and the grantee agrees that the shares shall be subject to such restrictions as the Board may determine. Following a listing, the grantee shall not exercise the option in breach of the rules of the relevant recognised investment exchange.

Manner of Exercise of Options

Any subsisting option which is exercisable may be exercised in whole or in part. The minimum number of Shares over which such option shall be exercised must be 250 or 25 per cent. of the shares over which the option has vested. An option shall be exercised only by the grantee serving a written notice upon the Company specifying the number of shares over which the option is granted and is accompanied by the necessary payment, option certificate, signed grantee documentation and payment of the option tax liability. Within 30 days of the applicable conditions being satisfied the Company shall allot the grantee the shares specified in the notice. As soon as reasonably practicable the Company shall issue a definitive share certificate.

The allotment of any shares is subject to the Company's Memorandum and Articles of Association. If the shares are listed at the time of exercise the Company shall apply to the exchange or market for such shares to be admitted.

Overall Limit on the granting of Options

A qualifying EMI option may not be granted to a qualifying employee if it would cause the aggregate market value of the shares subject to all qualifying EMI options and any option granted under a scheme approved under Schedule 4 to Income Tax (Earnings and Pensions) Act 2003 to exceed £120,000.

A qualifying EMI option may not be granted if as a result of such grant the aggregate market value of the Shares subject to all qualifying EMI options would exceed £3,000,000 or the gross assets of the Enlarged Group exceed £30 million.

Where a qualifying employee has been cumulatively granted EMI options with an aggregate market value equal to or greater than £120,000, any further option granted within three years is to be treated as an unapproved option.

Tax Indemnity

Any 'option tax liability' (which is any tax liability of a grantor company arising from the grant or exercise of the options or whether such options qualify for the Enterprise Management Incentive legislation or not) is the responsibility of the grantee and the grantee agrees to indemnify the Company in respect of such liability (howsoever arising).

Variation of share capital

In the event of any alteration of the ordinary share capital by way of capitalisation or rights issue, or sub-division, consolidation or reduction or any other variation in the share capital of the Company or any purchase by the Company of its own share, if the Board so chooses, it may determine the number or amount of shares that are the subject of an option and the exercise price of those shares provided the nominal value of the shares is not reduced below the nominal value of the share. The Board may reduce the exercise price of any share subject to an option, to the extent the Board is authorised to capitalise from the Company's reserves a sum equal to the amount by which the aggregate nominal value of the shares exceeds the aggregate adjusted exercise price under such options.

Alteration of the Share Option Scheme

The Board may alter the rules of the EMI Scheme provided no alteration to the rules will effect any option granted prior to the date of such alteration except with the consent of the grantee, such consent to be given in writing and by deed.

Administration

The plan shall be administered by the Board acting on behalf of the Company. The Board may make and vary such regulations as they think fit. In the event of any dispute or disagreement the decision of the Board is final and binding.

Miscellaneous

The plan shall terminate on the tenth anniversary of its date of adoption and may be terminated at any time before that by the Board but in either case the then existing rights and liabilities of the grantees shall not be effected. The existence of any option shall not affect the right or power of the Company or its shareholders. to carry on business in any particular way.

11.3 ***The Unapproved Option Scheme***

The Unapproved Option Scheme rules contain the same basic criteria as far as the EMI Scheme save for the following:

The Unapproved Option Scheme is open to those persons who are classed as "employees" of the Group. The grant of an unapproved option is affected by the Company executing as a deed and issuing the grantee an unapproved option certificate containing an undertaking by the grantee to be executed as a deed of acceptance that the grantee agrees to be bound by the Share Option Plan rules.

The Company may only grant an unapproved option to an employee and shall not grant an unapproved option to any other person. An unapproved option certificate may provide that if an option vests in respect of some or all of the shares and the shares are not exercised within a specified period then the option shall lapse and cease to be exercisable.

A summary of the Replacement Options to be granted on Admission in substitution for the Tissue Regenix Options and the additional New Options to be granted to Antony Odell and John Samuel, together with the related exercise prices and final exercise dates, is set out below:

	Total New Options to be granted on Admission	*Exercise Price*	*Final Exercise Date*
EMI options			
Antony Odell			
– Replacement Options	8,307,608	0.73p	06/01/2020
– New Options*	1,187,200	5.00p	29/06/2020
John Samuel – New Options*	2,400,000	5.00p	29/06/2020
Other employees			
– Replacement Options	635,674	0.50p	15/03/2017
– Replacement Options	635,674	0.73p	03/02/2019
– Replacement Options	1,907,022	0.73p	06/01/2020
Total EMI Options	15,073,178		

	Total New Options to be granted on Admission	*Exercise Price*	*Final Exercise Date*
Unapproved options			
Other employees and consultants			
– Replacement Options	1,388,222	5.00p	29/06/2017
– Replacement Options	1,388,222	5.00p	17/08/2017
– Replacement Options	328,797	0.73p	22/02/2020
Total Unapproved Options	3,105,241		
Total options	18,178,419		

* The final Exercise Date of these additional New Options assumes Admission on 29 June 2010 and will vest in equal proportions on or after the three consecutive annual anniversaries of the date of Admission subject to the Company's share price on AIM reaching particular target values, and remaining at or above those values, for periods of at least 30 consecutive days each, as follows:

End of year	*% of options to vest*	*Share price criteria p*
1	33.333%	10
2	33.333%	15
3	33.334%	20

The Tissue Regenix Group Plc Joint Owned Share Scheme

Operation of JOSS

The Remuneration Committee of the Company (the "Committee") will supervise the operation of the JOSS.

Eligibility

The Committee will use its discretion in nominating participants in the JOSS, who will be restricted to executive directors of the Company and other selected senior employees with responsibilities across the Enlarged Group.

The initial proposed participants have been identified by the Committee (see below).

Nature of Interests

Interests will take the form of a restricted interest in New Ordinary Shares (an "Interest") which permits the participant to benefit from a proportion of the increase (if any) in the value of a number of New Ordinary Shares over which the Interest is acquired.

In order to acquire an Interest, the participant will enter into a joint ownership agreement with the trustee of the EBT under which the participant and the trustee of the EBT jointly hold the New Ordinary Shares and agree that on any disposal of the New Ordinary Shares, the participant has the right to receive a proportion of the disposal value provided that performance conditions have been met. The employee will be entitled to the value of the excess of the proceeds received over a threshold level (the "Hurdle Value"), and the trustees will receive the balance. This Hurdle Value will be determined on the date that the Interest is acquired, but will be no less than 99.9 per cent. of the market value of a New Ordinary Share at the date of acquisition of the Interest, increased by an amount equivalent to interest fixed at a margin of 0.25 per cent. over UK base rate as at the date of acquisition of the Interest. The participant will be required to pay for the Interest he acquires (being a sum that the Committee considers to be not less than the market value of the Interest for tax purposes).

Realisation of an Interest may be effected by the EBT trustee and the employee exchanging such of their interests as will result in each owning a whole number of New Ordinary Shares of a total value equal to their rights before the exchange.

Interests are not transferable other than to the EBT or on a joint realisation of the New Ordinary Shares concerned under the terms of the applicable joint ownership agreement.

Benefits under the JOSS are not pensionable.

Acquisition of Interests

The first Interests under the scheme will be acquired by John Samuel and Antony Odell. It is proposed that, at Admission, John Samuel will acquire an interest in 10,740,000 New Ordinary Shares of the Company through the EBT, that Antony Odell will acquire an interest in 5,372,800 New Ordinary Shares of the Company through the EBT and that Michael Bretherton will acquire an interest in 600,000 New Ordinary Shares of the Company through EBT. It is proposed therefore, that the EBT will acquire an interest in a total of 16,712,800 New Ordinary Shares under the Placing.

No acquisitions of Interests are permitted in close periods and acquisitions will be subject also to the Company's Share Dealing Rules.

No Interests may be acquired more than ten years after approval of the JOSS by Shareholders in general meeting.

Share limits

The maximum number of shares over which options may be granted, or Interests may be acquired, under the Share Schemes, is limited to 10 per cent. of the issued share capital in any ten year period.

Performance conditions

Participants will not be able to realise any growth in value until their Interests vest. Interests will vest in equal proportions on or after the three consecutive annual anniversaries of the date of acquisition of the Interest subject to the Company's share price on AIM reaching particular target values, and remaining at or above those values, for periods of at least 30 consecutive days each, as follows:

End of year	*% of options to vest*	*Share price criteria p*
1	33.333%	10
2	33.333%	15
3	33.334%	20

The trustees will have a call option to acquire the employee's interest at any time before the Interest vests, for a consideration equal to the price paid by the employee to acquire his Interest, in the event that:

(a) the employees Interest has not yet vested at the end of the 10 year period from the date of acquisition of the Interest; or

(b) the employee is a bad leaver, i.e. if the participant's employment terminates for reasons other than death, ill-health or disability or termination by the Company in circumstances other than for fraud or dishonesty, imprisonment for conviction or a criminal offence or breach of contract.

In the event that the employee is a good leaver, the trustees will have a call option to acquire the employee's interest for a consideration equal to the price paid by the employee to acquire his Interest, at any time after 12 months of leaving to the extent that the Interest has not yet vested within that 12 month period.

In the event of a takeover or winding up the employee's Interest will vest in full.

In all cases, unvested Interests will be transferred to the EBT trustee.

Rights attaching to New Ordinary Shares

If the employee's entitlement to exit value is less than 200 per cent. of the Hurdle Value at the time of a shareholders' meeting, the employee may invite the trustee to vote on the shares in accordance with his wishes, but the trustee is not obliged to accede to any such request. If the employee's entitlement to exit value is 200 per cent. or more of the Hurdle Value the trustee will exercise voting rights in accordance with the employee's wishes.

Dividends on New Ordinary Shares subject to Interests will be payable to the employee and to the trustee in proportion to their respective entitlements to exit value at the date when the dividend is declared.

Variation of capital

On a variation of the capital of the Company, or in the event of a demerger, payment of a special dividend, reorganisation or reconstruction of the Company or similar event, the Committee and the EBT trustee may make such adjustment as they consider necessary to the shares subject to Interests, or to the sale proceeds per share to which a participant is entitled on realisation of an Interest.

Alterations to JOSS

The Committee may, at any time, amend the JOSS in any respect provided that the prior approval of the Company in general meeting is obtained for amendments to the provisions of the JOSS relating to eligibility, the overall limits on the issue of new shares, the maximum entitlement for any participant and the basis for determining that entitlement where such changes are to the material advantage of participants. Shareholder approval is not, however, required for minor amendments to benefit the administration of the JOSS, to take account of changes in legislation or to obtain or maintain favourable taxation or regulatory treatment for participants or for any member of the Enlarged Group.

The above summary of the principal terms of the Share Schemes does not form part of the rules of the Share Schemes and should not be taken as affecting the interpretation of the detailed terms and conditions. The Board reserves the right to make amendments and any additions to the rules of the Share Schemes that they consider necessary or appropriate, provided that any amendment may not conflict in any material respect with the above summary.

12. Material Contracts

The following contracts, not being contracts entered into in the ordinary course of business, have been entered into by the Company and Tissue Regenix within the two years immediately preceding the date of this

document and are, or may be, material or which contain any provision under which the Company has an obligation or entitlement which is material to the Company as at the date of this document:

12.1 ***The Company***

12.1.1 *Acquisition Agreement*

The share sale agreement (the "Acquisition Agreement") dated 3 June 2010 between the Company (1) and the Vendors (1) relating to the proposed acquisition by the Company of the entire issued share capital of Tissue Regenix for an aggregate consideration of £12 million, to be satisfied by the allotment to the Vendors of the Consideration Shares, credited as fully paid up at the Placing Price. The Consideration Shares will, when issued, represent approximately 51.42 per cent. of the Enlarged Issued Share Capital and will rank *pari passu* in all respects with the New Ordinary Shares then in issue, including all rights to receive all dividends and other distributions declared, made or paid following Admission.

The Acquisition Agreement is conditional, *inter alia*, upon the passing of the Resolutions at the GM and Admission. Pursuant to the Acquisition Agreement, the Company has the right to rescind the Acquisition Agreement if a material adverse change occurs in relation to the assets or financial position of Tissue Regenix prior to Admission. Tissue Regenix also has a similar right should there be a material adverse change in the Company prior to Admission.

The Acquisition Agreement contains a variety of restrictive covenants from the Covenantors. The Acquisition Agreement also contains certain warranties from the Warrantors on the business of Tissue Regenix. The other Vendors are only giving warranties as to their capacity to enter into the Acquisition Agreement and their ownership of the shares in Tissue Regenix. The warranties given by the Vendors are given on a several basis and are subject to an aggregate financial cap on each Vendor's liability by reference to the value of his/its Consideration Shares, as at the date of a claim being made for breach of warranty and/or recovery under the indemnities, and such liability will cease on the date which is 18 months from Admission. In addition, the Acquisition Agreement contains limited warranties from the Company to the Vendors.

12.1.2 *Placing Agreement*

A placing agreement dated 3 June 2010 between ZAICF (1), the Company (2) and the Directors and the Proposed Directors (3) in relation to the Admission. Under this agreement, ZAICF has been appointed to implement the Placing and provide assistance to the Company in connection with Admission in return for a fee.

ZAICF's obligations under the agreement are conditional, *inter alia*, on Admission occurring by 8.00 a.m. on 16 July 2010 or such later time and date as each of ZAICF and the Company may agree.

The agreement provides for the Company to pay all the fees and expenses connected with Admission including ZAICF's fees and expenses.

The agreement contains, *inter alia*, indemnities and warranties from the Company and certain warranties from each of the Directors and Proposed Directors in favour of ZAICF together with provisions which enable ZAICF to terminate the agreement in certain circumstances prior to Admission, principally if there is a material breach of the agreement or any of the warranties given under it (and similarly in respect of the Acquisition Agreement) or if a *force majeure* event arises.

12.1.3 *Lock-In Agreement*

The Lock-In Agreement dated 3 June 2010, pursuant to which Michael Bretherton, Antony Odell and the Warrantors (the "Locked-In Parties") have agreed with ZAICF and the Company that they will not, without the prior written consent of ZAICF, sell, transfer, grant any option

or charge over or otherwise dispose or agree to dispose of the legal or beneficial interest in any New Ordinary Shares held by them (or their connected persons) or acquired by them on the exercise of options for a period of 18 months from the date of Admission (the "Lock-Up Period"). The Lock-In Agreement is conditional, *inter alia*, upon Admission.

In addition, the Lock-In Agreement provides that each of the Locked-In Parties will not dispose of any New Ordinary Shares or any interests in New Ordinary Shares held by him or it on Admisson or acquired by him on the exercise of options otherwise than through a broker nominated by ZAICF from time to time for a period of six months following the expiry of the Lock-Up Period. This additional restriction is subject to ZAICF using reasonable endeavours to procure that any third party broker ensuring that the costs and the terms of any such disposal are equal to the best price available from other brokers in the market, having regard to the number of New Ordinary Shares being disposed of.

The restrictions contained in the Lock-In Agreement will not apply during the Lock-Up Period, in the case of, *inter alia*:

12.1.3.1 the permitted disposals set out within Rule 7 of the AIM Rules;

12.1.3.2 in the case of (i) Professor John Fisher, (ii) Professor Eileen Ingham, (iii) The University of Leeds, (iv) The Northern Entrepreneurs Fund LLP and (v) The Northern Entrepreneurs Fund Co-Investment LLP (together the "Non Rule 7 Locked-In Parties") a disposal by a Non Rule 7 Locked-In Party to meet any liability under the warranties set out in the Acquisition Agreement; and

12.1.3.3 a disposal to a connected person by a Non Rule 7 Locked-In Party.

Furthermore, for the period of six months after the expiry of the Lock-Up Period, the restrictions contained in the Lock-In Agreement will not apply, in the case of, *inter alia*;

12.1.3.4 the permitted disposals set out within Rule 7 of the AIM Rules;

12.1.3.4 to meet any liability under the warranties set out in the Acquisition Agreement; and

12.1.3.5 a disposal to a connected person by a Locked-In Party.

12.1.4 *Restated Relationship Agreement*

A relationship agreement dated 3 June 2010 to amend and restate the relationship agreement dated 12 December 2006 and made between ORA Capital (1) and the Company (2) (the "2006 Relationship Agreement") pursuant to which ORA agreed:

12.1.4.1 to exercise its rights as a shareholder to ensure that all transactions, relationships and agreements between the Company and ORA or any associate of ORA (as defined in Appendix I to the Listing Rules of the FSA) are on arm's length terms;

12.1.4.2 that neither it nor its associates will acquire, agree to acquire or announce any intention to acquire shares in the Company nor make a general offer for all or part of the share capital of the Company;

12.1.4.3 to give the Company 2 days notice of any intention of ORA, or an associate, to dispose of any interest in the share capital of the Company which would reduce ORA and its associates aggregate shareholding to less than 25 per cent.;

12.1.4.4 to procure (as far as it is able) that Non-Independent Directors (as defined in the Relationship Agreement and being, at Admission, Michael Bretherton) do not vote at a Board meeting on any resolution relating to any proposed contract or arrangement with ORA and/or its associates; and

12.1.4.5 in such manner so as to procure (so far as it is able) that it will not vote at meetings of Shareholders on any resolution relating to any proposed contract or arrangement with ORA and/or its associates.

The Restated Relationship Agreement is conditional, *inter alia*, upon Admission. The Restated Relationship Agreement is effective for so long as ORA, together with its associates, hold (whether directly or indirectly) in aggregate, shares in the capital of the Company representing 25 per cent. or more of the Company's entire issued ordinary share capital.

12.1.5 *Nomad and Broker Agreement*

The nominated adviser and broker agreement dated 3 June 2010 between ZAICF and the Company. The appointment of ZAICF shall continue until terminated by either party giving to the other not less than 3 months' notice. Under the terms of the engagement, the Company will pay a retainer fee of £20,000 plus VAT per annum to ZAICF. The nominated adviser and broker agreement is conditional, *inter alia*, upon Admission.

12.2 ***Tissue Regenix***

12.2.1 *IPR Licence*

In consideration of the payment of the sum of £101 and a perpetual royalty free non-exclusive licence granted back to ULIP to use the Intellectual Property Rights arising from the patent applications for teaching and research (excluding commercial exploitation) with the right to sub-licence to the University of Leeds, Tissue Regenix was granted an exclusive licence of intellectual property from ULIP dated 20 December 2006. Unless terminated in accordance with the terms of the licence, the rights granted shall continue until the expiry of the last to expire of the patents. The terms of the IPR Licence grant Tissue Regenix the right and licence under the patents and patent applications listed below to exercise all of ULIP's rights and privileges in and to the Intellectual Property Rights in the countries where such Intellectual Property Rights subsist and Tissue Regenix is entitled to sub-license or grant options to sub-license such rights to any third party. In particular the rights granted to Tissue Regenix include the exclusive right to use, make, have made, sell or otherwise dispose of, offer for sale or other disposal, import, keep or evaluate any product or process (or product obtained directly by means of such process) which falls within the claims of the patents and/or patent applications. The rights granted to Tissue Regenix are subject to the terms of the licence granted by the University of Leeds to the National Blood Service ("NBS") dated 26 January 2005 ("NBS Licence"). The NBS Licence grants NBS non-exclusive, royalty free, non-assignable rights to the decellurisation patents listed below in the field of allogeneic applications for the purposes of carrying out pre-clinical and clinical evaluations (for non-commercial purposes) and manufacture of clinical products (for clinical use within the NHS) in the United Kingdom.

Tissue Regenix acknowledges in the IPR Licence that the Intellectual Property Rights are experimental in nature and may be hazardous. ULIP excludes all warranties, express and implied, in relation to the intellectual property covered by the IPR Licence, including warranties as to validity and title of the intellectual property. ULIP excludes all liability for indirect and consequential loss that may arise from Tissue Regenix's or its sub-licensees' use or exploitation of the intellectual property. The IPR Licence provides that Tissue Regenix is responsible for payment of costs incurred in the filing, prosecution, maintenance and renewals of patents and patent applications encompassed in the licence.

The IPR Licence relates to the rights in the following patent applications and any patents granted pursuant to such applications:

Application Number	*Territory*	*Title*
2004241775	Australia	Ultrasonic modification of soft tissue matrices
2,526,500	Canada	Ultrasonic modification of soft tissue matrices
04733019.6	EPO	Ultrasonic modification of soft tissue matrices
0311800.7	United Kingdom	Ultrasonic modification of soft tissue matrices
10/557,779	USA	Ultrasonic modification of soft tissue matrices
PCT/GB04/002055	PCT	Ultrasonic modification of soft tissue matrices

Application Number	*Territory*	*Title*
2002310589	Australia	Low concentration SDS & protease inhibitors for decellularisation.
2,447,847	Canada	Low concentration SDS & protease inhibitors for decellularisation.
02735577.5	EPO	Low concentration SDS & protease inhibitors for decellularisation.
0112586.3	United Kingdom	Low concentration SDS & protease inhibitors for decellularisation.
10/478,198	USA	Low concentration SDS & protease inhibitors for decellularisation.
PCT/GB02/02341	PCT	Low concentration SDS & protease inhibitors for decellularisation.
0622846.4	United Kingdom	Acellular porcine meniscus for meniscal repair/replacement.

12.2.2 *Patent Assignment*

By an assignment dated 28 May 2010 each of the University of York ("York") and the University of Leeds ("Leeds") assigned to Tissue Regenix all rights and title in the patents listed below, which are jointly owned by York and Leeds. In consideration of the assignment by each of York and Leeds, Tissue Regenix paid:

- Leeds: £101 plus VAT; and the reimbursement of costs incurred by or on behalf of Leeds in respect of the filing, prosecution and maintenance of the patents; and

- York: £10,000; the reimbursement of costs in respect of the US national filing of the patents; the payment of £60,000 in three equal instalments on the occurrence of certain milestones (if the relevant circumstances arise); and to the extent that Tissue Regenix enters into a commercial agreement with Davol, Inc (a subsidiary of C.R.Bard, Inc) within 24 months of the date of the agreement relating to the patents, 25 per cent. of the net income actually received by Tissue Regenix from Davol, Inc less all direct development investment made or expenditure incurred.

The patents assigned are:

Patent Title	*Patent Application Number, Dates and Territories*	*Priority Filings (number and date)*	*Status*	*Ownership status*
Tissue Matrices For Bladder Implantation (Bladder)	AU 2007231131.3 28/03/2007	GB 0606231.9 29/03/2006	Pending	Leeds & York
Tissue Matrices For Bladder Implantation (Bladder)	(Canada) 2,653,55 28/03/2007	GB 0606231.9 29/03/2006	Pending	Leeds & York
Tissue Matrices For Bladder Implantation (Bladder)	EP 07732174.3 28/03/2007	GB 0606231.9 29/03/2006	Pending	Leeds & York
Tissue Matrices For Bladder Implantation (Bladder)	9011/DELNP/2008 (India) 28/03/2007	GB 0606231.9 29/03/2006	Pending	Leeds & York
Tissue Matrices For Bladder Implantation (Bladder)	US 12/295,190 28/03/2007	GB 0606231.9 29/03/2006	Pending	Leeds & York
Bladder (Method)	GB 0706014.8 28/03/2007	GB 0606231.9 29/03/2006	Granted	Leeds & York
Bladder (Product)	GB 0718215.7 28/03/2007	GB 0606231.9 29/03/2006	Granted	Leeds & York

Patent Title	*Patent Application Number, Dates and Territories*	*Priority Filings (number and date)*	*Status*	*Ownership status*
Tissue Matrices For Bladder Implantation (Bladder)	PCT/GB2007/001117 28/03/2007	GB 0606231.9 29/03/2006	National Phase	Leeds & York
Tissue Matrices For Bladder Implantation (Bladder)	GB 0606231.9 29/03/2006	N/A	Abandoned	Leeds & York

The assignment to Tissue Regenix included: (i) all rights and powers arising or accrued in and to the patents, including all rights to recover and take all proceedings necessary to recover damages or otherwise in respect of all infringements of any of the patents; (ii) the absolute entitlement to any patents granted pursuant to any of the applications comprised in the patents listed for their full term; and (iii) the right to apply for, prosecute and obtain protection in the UK and throughout all other countries in respect of the inventions embodied in the patents. In addition, York has granted Tissue Regenix an irrevocable, non-exclusive, royalty free licence in the countries in which the patents subsist to use all of York's know-how comprised within or relating to the technology and invention covered by the patents. Such licence is for a period of ten years from the date of the Patent Assignment. Tissue Regenix may grant sub-licences of such know-how, subject to certain conditions contained in the agreement.

In the Patent Assignment, Tissue Regenix grants to each of Leeds and York an irrevocable, perpetual, non-exclusive, royalty free licence to use the patents solely for the purpose of non-commercial use (as defined in the agreement). Provided that Tissue Regenix is provided with details of a proposed academic publication prior to publication, any employee or student of York or Leeds may (i) discuss the published patents in university seminars, tutorials and lectures; and (ii) publish an academic publication wholly or partly based on the published patents (provided it does not contain Tissue Regenix's confidential information). The prior written approval of Tissue Regenix is required in relation to any patents that have not been published. Tissue Regenix has at least 30 days' notice to comment on any proposed publication.

York and Leeds each warrant that its ability to assign the rights in the agreement and that it has not assigned or granted any third party any rights or licences in or to its interest in the patents. Neither York nor Leeds warrants that the patents are valid and all other warranties and conditions are, to the extent permitted by law, excluded. Neither Leeds nor York may assign its rights under agreement without the prior written consent of the Tissue Regenix.

12.2.3 *Master Service Agreement with Factory CRO for Medical Devices BV*

Tissue Regenix and Factory CRO for Medical Devices BV ("Factory") entered into a master service agreement which was dated 15 January 2009 (but was effective from 23 December 2008). The agreement is a master form of contract to allow the parties to contract on multiple projects through the issuance of multiple work orders without having to renegotiate the basic terms and conditions. In accordance with the terms of the agreement, Tissue Regenix will pay Factory fees and out of pocket expenses in accordance with the budget and payment schedule included in each work order, which includes an advance payment in addition to a 5 per cent. administration charge for each invoice for out-of-pocket expenses. The agreement continues for a period of 5 years from the date of execution, or until terminated by either party in accordance with the termination provisions. Thereafter the agreement automatically renews each year unless otherwise indicated in writing.

Any inventions that may evolve or be made from the data and information generated or derived by Factory as a result of the services performed under the agreement belong to Tissue Regenix. Pursuant to the terms of the agreement, Factory assigns to Tissue Regenix its rights in any such data, information and inventions and/or related patents or other intellectual property rights that are generated or derived by Factory pursuant to the agreement or any work order. All data and

information generated or derived by Factory as a result of the services performed under the agreement are deemed to be Tissue Regenix's confidential information. Factory retains all rights in its background intellectual property and any improvements thereto.

Tissue Regenix is obliged to forward to Factory in a timely manner all documents, materials and information in Tissue Regenix or control necessary for Factory to conduct the services. Tissue Regenix is obliged to provide Factory with all information available to it regarding known or potential hazards associated with the use of any substances supplied to Factory by Tissue Regenix and Tissue Regenix is required to comply with all current legislation and regulations concerning the shipment of such substances.

The agreement contains provisions dealing with delays or suspensions of projects. The agreement also contains indemnities from Tissue Regenix in favour of Factory and from Factory in favour of Tissue Regenix, and a limit on the liability of Factory. The agreement contains usual provisions as to confidentiality. There are restrictions on either party assigning its rights and obligations under the agreement without the prior written consent of the other party, such consent not to be unreasonably withheld for a transfer to an affiliate or successor in interest. Netherlands law applies to the agreement, but there are arbitration provisions and the arbitration language is English.

12.2.4 *Technical agreement with Honeyman Group Limited*

Tissue Regenix and Honeyman Group Limited ("HG") entered into a technical agreement dated 11 November 2009. The technical agreement relates to the analysis of samples by HG. Tissue Regenix is responsible for arranging safe and timely delivery of all samples and notification of the delivery to HG. Analysis of samples by HG occurs as directed by Tissue Regenix and set out in analytical specification requests, from time to time, setting out the details of samples to be analysed and HG's prices which are charged for the service. All documentation accompanying the samples must be correct and fully completed by Tissue Regenix. Prompt, controlled receipt, checking and segregated storage at the specified temperature is passed to HG upon arrival at HG's test facility. HG must notify Tissue Regenix immediately of any damage, tampering or non-arrival. Testing must be in accordance with an approved procedure. Tissue Regenix has the right to audit HG's facilities.

In accordance with HG's quality management system, Tissue Regenix expects approved, comprehensive procedures and accurate records to cover each of: (a) adequate training of appropriately qualified personnel involved in the control and testing; (b) clear traceability of all samples during receipt, handling, storage, testing and disposal; (c) documentation control, out of specification results reporting, change of control and customer complaints; (d) qualification, calibration and maintenance of analytical equipment; (e) test method validation (where non-pharmacopoeial methods are requested); (f) approved methodology for the routine analysis of water and tissue samples; and (g) satisfactory mechanisms by which HG will notify Tissue Regenix of any planned changes and unplanned deviations to its procedures or test methods that could impact the quality status of the results of Tissue Regenix.

Complaints from Tissue Regenix must be fed into HG's formal customer complaints system and investigation into the complaints must be a collaborative effort between Tissue Regenix and HG. Sub-contracting of any part of the testing without Tissue Regenix's prior approval is prohibited. If sub-contracting is found to be necessary, HG must prepare a supplemental technical agreement with the sub-contractor.

The agreement does not contain any provisions on termination, assignment or governing law.

12.2.5 *Agreement for exchange of confidential information with Honeyman Group Limited*

Tissue Regenix and HG entered into an agreement dated 24 July 2008 for the exchange of confidential information. The agreement relates to the exchange of information in the field of sterilisation and testing of allogeneic and xenogeneic biological scaffolds and environmental

testing data. The agreement is entered into for the purpose of review consideration and evaluation of such confidential information in connection with or in relation to determining whether to enter into such related quotations and work contracts. The obligations of the agreement continue for a period of ten years from the date of the agreement.

There are no formal provisions for termination within the agreement, however, the receiving party shall at the disclosing party's request return and provide to the disclosing party all confidential information provided including all and any copies made and permanently delete all electronic copies save that the receiving party may retain on paper copy in the receiving party's legal files to ensure compliance with obligations under the agreement.

Any representations, conditions or warranties relating to the confidential information are excluded by the disclosing party to the fullest extent permitted by law. The receiving party shall not have any claim whatsoever against the disclosing party for any loss or damage whatsoever suffered by the receiving party arising out of, or in respect of, the confidential information.

The agreement contains usual provisions and restrictions on the use, handling and return of confidential information.

13. Working Capital

The Directors and Proposed Directors are of the opinion having made due and careful enquiry that, taking into account the existing cash resources of the Enlarged Group and the net proceeds of the Placing, the Company has sufficient working capital for its present requirements, that is at least 12 months from the date of Admission.

14. Dependence on Intellectual Property

Save as set out in Parts I and II of this document, there are no patents, patent applications or other Intellectual Property Rights, licences, industrial, financial, commercial or financial contracts which are of material importance to the Group's business or profitability.

15. Related Party Transactions

Save for the relevant transactions described in the agreements referred to in paragraph 11 of this Part VII, during the period from incorporation of the Company until the date of this document, the Company has not entered into any related party transactions.

16. Litigation

The Company is not involved nor has it been involved in any governmental, legal or arbitration proceedings in the previous twelve months which may have or have had in the recent past a significant effect on the Company's financial position or profitability and, so far as the Directors are aware, there are no such proceedings pending or threatened against any member of the Company.

17. No Significant Change

Save as set out in this document, there has been no significant change in the trading or financial position of the Company since 31 January 2010, being the date to which the its last audited accounts were published.

18. Taxation

18.1 The following paragraphs are intended as a general guide only for shareholders who are resident and ordinarily resident in the United Kingdom for tax purposes, holding New Ordinary Shares as investments and not as securities to be realised in the course of a trade, and are based on current legislation and HM Revenue & Customs practice. Any prospective purchaser of New Ordinary Shares who is in any doubt about his tax position, or who is subject to taxation in a jurisdiction other than the UK, should consult his own professional adviser immediately.

Taxation of Chargeable Gains

18.2 For the purpose of UK tax on chargeable gains, the issue of New Ordinary Shares pursuant to the Placing will be regarded as an acquisition of a new holding in the share capital of the Company.

18.3 To the extent that a Shareholder acquires New Ordinary shares allotted to him, the New Ordinary Shares so allotted will, for the purposes of tax on chargeable gains, be treated as acquired on the date of allotment. The amount paid for the New Ordinary Shares will constitute the base cost of a Shareholder's holding.

18.4 If a Shareholder disposes of all or some of his New Ordinary Shares, a liability to tax on chargeable gains may, depending on his circumstances, arise.

18.5 A disposal of New Ordinary Shares by an individual who is within the charge to UK capital gains tax will, subject to the availability of any exemptions, reliefs and/or allowable losses, be subject to tax at the rate of 18 per cent. with no taper relief or indexation allowance being available.

Individuals who are temporarily non-UK resident may, in certain circumstances, be subject to tax in respect of gains realised whilst they are not resident in the UK.

18.6 Any gains arising on the disposal of New Ordinary Shares by a company should be reduced by indexation allowance applied to the base cost of the New Ordinary Shares. Any such gains will, subject to the availability of any exemptions, reliefs and/or allowable losses, be subject to corporation tax.

Loss Relief

18.7 If an investor is an individual or an investment company, relief for losses incurred by that investor on disposal of the New Ordinary Shares may be available under Sections 131 to 133 Income Tax Act 2007 for individuals and Sections 573 to 576 of the Income and Corporation Taxes Act 1988 for investment companies.

Inheritance Tax/Business Property Relief

18.8 Unquoted ordinary shares representing minority interests in trading companies potentially qualify for business property relief which gives up to 100 per cent. exemption from inheritance tax for investors who are individuals. Where such individual investors make a lifetime gift of qualifying shares or dies whilst still owner of the shares, no inheritance tax will be payable in respect of the value of the shares, provided certain conditions are met, including that the investor held the shares for two years before the date of transfer or death.

Stamp Duty and Stamp Duty Reserve Tax

18.9 No stamp duty or stamp duty reserve tax ("SDRT") will generally be payable on the issue of the New Ordinary Shares.

Dividends and other distributions

18.10 Under current UK tax legislation, no amounts in respect of tax will be withheld at source from dividend payments made by the Company. A dividend paid to a non-corporate Shareholder is treated as being paid with a tax credit equal to one ninth of the net dividend. Thus there will be a tax credit of 10 per cent. on the gross dividend, that gross dividend being equal to the sum of the net dividend and the accompanying tax credit. Individual Shareholders whose income is within the starting or basic rate bands will be liable to tax at 10 per cent. on their gross dividend income and the tax credit will therefore satisfy their income tax liability on UK dividends. Individual Shareholders who are liable to income tax at the higher rate of tax will be charged to tax at 32.5 per cent. on their gross dividend, as will trustees of discretionary trusts. After taking account of the 10 per cent. tax credit, this will represent additional tax of 25 per cent. of the net dividend received.

18.11 Individual shareholders whose income tax liability is less than the tax credit will not be entitled to claim a repayment of all or part of the tax credit associated with such dividends.

18.12 With effect from April 2010, dividends received by UK resident shareholders with taxable income in excess of £150,000 will be subject to income tax at 42.5 per cent. The tax credit referred to above will, if available, have the effect that such shareholders will have to account for additional UK tax equal to 36.11 per cent. of the net cash dividend received.

18.13 A UK resident corporate shareholder should not be liable to corporation tax or income tax in respect of dividends received from the Company unless that company is carrying on a trade of dealing in shares.

18.14 If you are in any doubt as to your tax position, or are subject to tax in a jurisdiction other than the UK, you should consult your professional adviser.

19. General

19.1 Save as disclosed in this document, no person (other than professional advisers named in this document) has:

(a) received, directly or indirectly, from the Company within the 12 months preceding the application for Admission: or

(b) entered into any contractual arrangements (not otherwise disclosed in this document) to receive, directly or indirectly, from the Company on or after Admission any of the following:

(i) fees totalling £10,000 or more;

(ii) securities in the Company where these have a value of £10,000 or more calculated by reference to the Placing Price; or

(iii) any other benefit with the value of £10,000 or more at the date of Admission.

19.2 The estimated amount of the expenses of the Acquisition, Placing and Admission which are all payable by the Company are £0.47 million (including VAT). The net proceeds of the Placing are estimated at £4.03 million for the Company. The calculation of the net proceeds takes into account the fact that 16,712,800 Placing Shares will be issued to the EBT in respect of which £835,640 of subscription monies will be loaned to the EBT by the Company (and which monies should therefore be excluded from the proceeds of the Placing). The Placing Price will represent a premium of 4.5p to the nominal value of each New Ordinary Share.

19.3 ZAICF has been appointed as nominated adviser to the Company. ZAICF is registered in England and Wales with number 06814163 and its registered office is at 12 Camomile Street, London, EC3A 7PT and it is authorised and regulated by the Financial Services Authority in the conduct of investment business.

19.4 ZAICF has given and have not withdrawn its consent to the issue of this document with the inclusion of its names in the form and context in which they appear.

19.5 Baker Tilly Corporate Finance LLP has given and not withdrawn its written consent to the inclusion of its report in Parts V and VI of this document and references thereto in the form and context in which they are included.

19.6 Save as set out in this document, neither the Directors nor the Proposed Directors are aware of any exceptional factors which have influenced the activities of the Company.

19.7 Save as disclosed in this document, the Company has not made any investments since incorporation up to the date of this document nor are there any investments by the Company in progress or anticipated which are significant.

19.8 Save as disclosed in this document, neither the Directors nor the Proposed Directors are aware of any environmental issues or risks affecting the Company or its operations.

19.9 Part 28 of CA 2006 came into force on 6 April 2007 and governs "squeeze-out" and "sell-out" provisions, which are triggered when a person acquires 90 per cent. of both the issued shares and voting rights in the Company. Under this new regime, such an acquirer may serve a notice on the remaining minority shareholder stating that it desires to buy their shares ("squeeze-out") and, conversely, the remaining minority shareholder may exercise in writing its right to require the acquirer to acquire its shares ("sell-out"). The consideration offered to the minority shareholder whose shares are compulsorily acquired must, in general, be the same as the consideration that was available under the takeover offer. Both squeeze-out and sell-out rights are exercisable within a three month period from the end of the period within which the takeover offer can be accepted. Under the squeeze-out provisions, the acquirer must, at the end of the six weeks from the date of the notice, send a copy of its notice and an executed transfer for the shares to the Company and pay the consideration for the shares to the Company, whereupon the shares will be registered in the name of the acquirer. The consideration is then held on trust by the Company for the minority shareholder. Under the sell-out provisions, the acquirer is entitled and bound to acquire the shares on the terms of the takeover offer or on such other terms as may be agreed.

Save as is set out in this document, the Company is not aware of the existence of any mandatory takeover bid pursuant to the rules of the City Code, or any circumstances which may give rise to any takeover bid, and the Company is not aware of any public takeover bid since its incorporation by third parties for the Ordinary Shares, or of any squeeze-out or sell-out rules in relation to the Ordinary Shares.

Shareholders are required to observe the disclosure requirements set out in DTR5 of the Disclosure Rules and Transparency Rules issued by the FSA.

19.10 There are no provisions in the Articles or the New Articles which would have the effect of delaying, deferring or preventing a change of control of the Company.

20. Availability of this Document

Copies of this document will be available free of charge from the Company's registered office and at the offices of ZAICF, 12 Camomile Street London EC3A 7PT during normal business hours on any weekday (Saturdays and public holidays excepted) and shall remain available for at least one month after Admission.

Date: 3 June 2010

OXECO Plc

(Incorporated and registered in England and Wales under the Companies Act 2006 with Registered Number 5969271)

NOTICE OF GENERAL MEETING

NOTICE IS HEREBY given that a general meeting of Oxeco Plc (the "**Company**") will be held at the offices of Fasken Martineau LLP at Fourth Floor, 17 Hanover Square, London W1S 1HU on 28 June 2010 at 10.00 a.m. for the purpose of considering and, if thought fit, passing the following resolutions of which the resolutions numbered 1 to 4 will be proposed as Ordinary Resolutions and the resolutions numbered 5 to 7 will be proposed as a Special Resolutions:

ORDINARY RESOLUTIONS

1. **THAT** the "Acquisition" (as defined in the Admission Document sent to the Company's Shareholders dated 3 June 2010 (the "Admission Document") be and it is hereby approved for the purposes of Rule 14 of the AIM Rules for Companies and the Directors be and are hereby authorised, for and on behalf of the Company, to finalise all matters set out in the "Acquisition Agreement" (as defined in the Admission Document) and to do all other matters provided therein or related to the Acquisition and, at their sole discretion, to amend, waive, vary and/or extend any of the terms of the Acquisition Agreement and/or any other document referred to therein and/or connected with the Acquisition in whatever way they may consider to be necessary and/or desirable or do all such acts and/or things as they may consider necessary and/or desirable in connection with the Acquisition provided that there is no material change to the substance of the terms and conditions of the Acquisition or the Acquisition Agreement, as set out and defined in the Admission Document.

2. **THAT**, conditionally upon resolution 1 being duly passed by the Shareholders as an ordinary resolution, pursuant to Article 56 of the articles of association of the Company, every five Ordinary Shares of £0.001 each in the capital of the Company be and are hereby consolidated into 1 New Ordinary Share of £0.005 in the capital of the Company with effect from 6.00 p.m. on the date of passing of this resolution.

3. **THAT**, conditionally upon resolution 1 being duly passed by the Shareholders as an ordinary resolution, the Directors of the Company be and they are hereby generally and unconditionally authorised, in substitution for all previous powers granted to them, to allot relevant securities within the meaning of Section 551 of the Companies Act 2006, up to an aggregate nominal amount of £2,506,589.30 and such authority shall expire on 31 July 2011 or (if earlier) the conclusion of the 2011 annual general meeting of the Company save that the Company may before such expiry make an offer or enter into an agreement which would or might require relevant securities to be allotted after such expiry and the directors may allot relevant securities in pursuance of such offer or agreement as if the authority conferred hereby had not expired.

4. **THAT**, conditionally upon resolutions 1 and 5 being duly passed by the Shareholders as an ordinary resolutions and/or a special resolution (as the case may be):

   (a) the Tissue Regenix Group Plc Enterprise Management Investment Scheme and Unapproved Share Option Plan 2010 (the "Plan") a copy of the rules (the "Plan Rules") of which having been produced to the meeting and initialed by the Chairman for the purpose of identification, be and they are hereby approved, the Plan be and is hereby adopted with such amendments (if any) to such rules as may be necessary to obtain the approval of the Board of Inland Revenue for the approved part of the Plan and the directors of the Company be and are hereby authorised to do all acts and things necessary to give effect to the Plan;

   (b) the Tissue Regenix Group Plc Joint Owned Share Scheme (the "JOSS") a copy of the rules (the "JOSS Rules") of which having been produced to the meeting and initialed by the Chairman for the purpose of identification, be and they are hereby approved, the JOSS be and is hereby

adopted and the directors of the Company be and are hereby authorised to do all acts and things necessary to give effect to the JOSS;

(c) the directors of the Company may be counted in the quorum and vote and their votes may be counted on any matter or any shareholders', directors' or committee meeting connected with the Plan and/or the JOSS notwithstanding that they may be interested in the same (except that no director may be counted in the quorum or vote on any matter solely concerning his own participation) and the prohibitions in this regard contained in the Articles of Association of the Company be suspended and relaxed to that extent;

(d) the directors of the Company be authorised to establish such other share option schemes for the benefit of the employees and executive directors of the Company who are based outside the United Kingdom on such terms as the directors of the Company may consider appropriate to take account of local tax, exchange control or securities laws in overseas territories provided that such other schemes are based upon the Plan or the JOSS and that any shares issued or which might be issued under any such scheme will be subject to and treated as counting against the limitations on individual and overall participation specified in the Plan or (as the case may be) the JOSS; and

(e) the directors of the Company be and they are hereby authorised to issue shares at a subscription price which is not less than the current 'market value' of such shares (as defined in the Rules) to the trustee of any trust established by the Company for the benefit of employees of the Company and its subsidiaries for the purposes of satisfying the exercise of share options granted or entered into by the trustee to employees of the Company and its subsidiaries.

SPECIAL RESOLUTIONS

5. **THAT**, conditionally upon resolutions 1 and 3 being duly passed by the Shareholders as ordinary resolutions, the Directors of the Company be authorised and empowered pursuant to section 571 of Companies Act 2006 (the "2006 Act") (in substitution for all powers previously granted thereunder) to allot equity securities (as defined in section 560 of CA 2006) for cash pursuant to the section 551(1) authority referred to in resolution 3 of the Notice as if section 561(1) of CA 2006 did not apply to any such allotment, such power shall expire on 31 July 2011 or (if earlier) the conclusion of the 2011 annual general meeting of the Company, and such power is limited to the allotment of equity securities:

(a) in connection with rights issues to holders of ordinary shares where the equity securities respectively attributable to the interests of such holders are proportionate (as nearly as may be practicable) to the respective numbers of ordinary shares held by them, but subject to such exclusions or other arrangements as the directors may deem necessary or expedient to deal with any fractional entitlements or any legal or practical problems under the law of, or the requirements of any regulatory body or any recognised stock exchange in, any territory;

(b) in connection with the issue of equity securities up to an aggregate nominal amount of £533,564.00 in respect of a placing by the Company announced on or about 3 June 2010;

(c) in connection with the issue of equity securities up to an aggregate nominal amount of £72,956.10 in respect of the grant of options by the Company under the Tissue Regenix Group Plc Enterprise Management Investment Scheme and Unapproved Share Option Plan 2010 (and the subsequent exercise of such options); and

(d) (otherwise than pursuant to paragraphs (a) to (c) above) up to a maximum aggregate nominal amount of £350,034.60

provided that the Company may, before the expiry of this power, make an offer or agreement which would or might require equity securities to be allotted after the expiry of this power and the directors may allot equity securities in pursuance of such an offer or agreement as if the power had not expired.

6. **THAT** the New Articles of Association produced at the meeting marked "A" and initialled by the Chairman of the meeting (for the purposes of identification only) be and are hereby adopted to the exclusion of and in substitution for the existing articles of association of the Company.

7. **THAT**, conditionally upon resolution 1 being duly passed by the Shareholders as an ordinary resolution, the name of the Company be and is hereby changed to Tissue Regenix Group Plc.

By order of the Board

Nigel Raymond Gordon
Secretary

Registered office:
5th Floor
17 Hanover Square
London W1S 1HU

3 June 2010

Notes to the Notice of General Meeting

Entitlement to attend and vote

1. Pursuant to Regulation 41 of the Uncertificated Securities Regulations 2001, the Company specifies that only those members registered on the Company's register of members at 10.00 a.m. on 26 June 2010 or, if this Meeting is adjourned, at 10.00 a.m. on the day two days prior to the adjourned meeting, shall be entitled to attend and vote at the Meeting.

Appointment of proxies

2. If you are a member of the Company at the time set out in note 1 above, you are entitled to appoint a proxy to exercise all or any of your rights to attend, speak and vote at the Meeting and you should have received a proxy form with this notice of meeting. You can only appoint a proxy using the procedures set out in these notes and the notes to the proxy form.

3. If you are not a member of the Company but you have been nominated by a member of the Company to enjoy information rights, you do not have a right to appoint any proxies under the procedures set out in this "Appointment of proxies" section. Please read the section "Nominated persons" below.

4. A proxy does not need to be a member of the Company but must attend the Meeting to represent you. Details of how to appoint the Chairman of the Meeting or another person as your proxy using the proxy form are set out in the notes to the proxy form. If you wish your proxy to speak on your behalf at the Meeting you will need to appoint your own choice of proxy (not the Chairman) and give your instructions directly to them.

5. You may appoint more than one proxy provided each proxy is appointed to exercise rights attached to different shares. You may not appoint more than one proxy to exercise rights attached to any one share. To appoint more than one proxy, it will be necessary to notify the Registrar in accordance with Note 7 below.

6. A vote withheld is not a vote in law, which means that the vote will not be counted in the calculation of votes for or against the resolution. If no voting indication is given, your proxy will vote or abstain from voting at his or her discretion. Your proxy will vote (or abstain from voting) as he or she thinks fit in relation to any other matter which is put before the Meeting.

Appointment of proxy using hard copy proxy form

7. The notes to the proxy form explain how to direct your proxy how to vote on each resolution or withhold their vote. To appoint a proxy using the proxy form, the form must be:

   - completed and signed;
   - sent or delivered to Capita Registrars PXS, 34 Beckenham Road, Beckenham, Kent BR3 4TU; and
   - received by Capita Registrars no later than 10.00 a.m. on 26 June 2010.

   In the case of a member which is a company, the proxy form must be executed under its common seal or signed on its behalf by an officer of the company or an attorney for the company.

   Any power of attorney or any other authority under which the proxy form is signed (or a duly certified copy of such power or authority) must be included with the proxy form.

Appointment of proxies through CREST

8. CREST members who wish to appoint a proxy or proxies by utilising the CREST electronic proxy appointment service may do so for the Meeting and any adjournment(s) thereof by utilising the procedures described in the CREST Manual. CREST Personal Members or other CREST sponsored members, and those CREST members who have appointed a voting service provider(s), should refer to their CREST sponsor or voting service provider(s), who will be able to take the appropriate action on their behalf.

   In order for a proxy appointment made by means of CREST to be valid, the appropriate CREST message (a **CREST Proxy Instruction**) must be properly authenticated in accordance with Euroclear UK & Ireland Limited's (**EUI**) specifications and must contain the information required for such instructions, as described in the CREST Manual. The message must be transmitted so as to be received by the issuer's agent (ID) by the 10.00 a.m. on 26 June 2010. For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp applied to the message by the CREST Applications Host) from which the issuer's agent is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST.

   CREST members and, where applicable, their CREST sponsors or voting service providers should note that EUI does not make available special procedures in CREST for any particular messages. Normal system timings and limitations will therefore apply in relation to the input of CREST Proxy Instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member or sponsored member or has appointed a voting service provider(s), to procure that his CREST sponsor or voting service provider(s) take(s)) such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time. In this connection, CREST members and, where applicable, their CREST sponsors or voting service providers are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.

   The Company may treat as invalid a CREST Proxy Instruction in the circumstances set out in Regulation 35(5)(a) of the Uncertificated Securities Regulations 2001.

Appointment of proxy by joint members

9. In the case of joint holders, where more than one of the joint holders purports to appoint a proxy, only the appointment submitted by the most senior holder will be accepted. Seniority is determined by the order in which the names of the joint holders appear in the Company's register of members in respect of the joint holding (the first-named being the most senior).

Changing proxy instructions

10. To change your proxy instructions simply submit a new proxy appointment using the methods set out above. Note that the cut-off time for receipt of proxy appointments (see above) also apply in relation to amended instructions; any amended proxy appointment received after the relevant cut-off time will be disregarded.

    Where you have appointed a proxy using the hard-copy proxy form and would like to change the instructions using another hard-copy proxy form, please contact Capita Registrars PXS, 34 Beckenham Road, Beckenham, Kent BR3 4TU.

    If you submit more than one valid proxy appointment, the appointment received last before the latest time for the receipt of proxies will take precedence.

Termination of proxy appointments

11. In order to revoke a proxy instruction you will need to inform the Company by sending a signed hard copy notice clearly stating your intention to revoke your proxy appointment to Capita Registrars PXS, 34 Beckenham Road, Beckenham, Kent BR3 4TU. In the case of a member which is a company, the revocation notice must be executed under its common seal or signed on its behalf by an officer of the company or an attorney for the company. Any power of attorney or any other authority under which the revocation notice is signed (or a duly certified copy of such power or authority) must be included with the revocation notice.

    In either case, the revocation notice must be received by Capita Registrars no later than 10.00 a.m. on 26 June 2010. If you attempt to revoke your proxy appointment but the revocation is received after the time specified then, subject to the paragraph directly below, your proxy appointment will remain valid.

    Appointment of a proxy does not preclude you from attending the Meeting and voting in person. If you have appointed a proxy and attend the Meeting in person, your proxy appointment will automatically be terminated.

Issued shares and total voting rights

12. As at 6.00 p.m. on 2 June 2010 the Company's issued share capital comprised 600,000,000 ordinary shares of 0.1 pence each. Each ordinary share carries the right to one vote at a general meeting of the Company and, therefore, the total number of voting rights in the Company as at 6.00 p.m. on 2 June 2010 is 600,000,000.

Nominated persons

13. If you are a person who has been nominated under section 146 of the Companies Act 2006 to enjoy information rights (**Nominated Person**):

    - You may have a right under an agreement between you and the member of the Company who has nominated you to have information rights (**Relevant Member**) to be appointed or to have someone else appointed as a proxy for the Meeting.

    - If you either do not have such a right or if you have such a right but do not wish to exercise it, you may have a right under an agreement between you and the Relevant Member to give instructions to the Relevant Member as to the exercise of voting rights.

    - Your main point of contact in terms of your investment in the Company remains the Relevant Member (or, perhaps, your custodian or broker) and you should continue to contact them (and not the Company) regarding any changes or queries relating to your personal details and your interest in the Company (including any administrative matters). The only exception to this is where the Company expressly requests a response from you.

Voting

14. Voting on all resolutions will be conducted by way of a poll rather than on a show of hands.

Documents on display

15. Copies of the service contracts and letters of appointment of the directors of the Company and the proposed New Articles will be available:

    - for at least 15 minutes prior to the Meeting; and

    - during the Meeting.

Communication

16. Except as provided above, members who have general queries about the Meeting should use the following means of communication (no other methods of communication will be accepted):

    1. calling our shareholder helpline on 0871 664 0300 (calls cost 10 pence per minute plus network extras) or +44 (0) 208 639 3399 from outside of the UK. Lines are open Monday to Friday, 8.30 a.m. to 5.30 p.m.; or

2 by facsimile to +44 (0) 208 639 2220 or by email to ssd@capitaregistrars.com

You may not use any electronic address provided either: in this notice of extraordinary general meeting; or any related documents (including the chairman's letter and proxy form), to communicate with the Company for any purposes other than those expressly stated.